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DEPARTMENT OF EXTERNAL AFFAIRS

File No. 780/1 PT. 1

SUBJECT: MIDDLE EAST - ECONOMIC RELATIONS WITH AUSTRALIA

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196/10/1
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EXTERNAL AFFAIRS.

Telephone
Record of Conversation with Mr. C. Hickey, Department of Trade

on 5th July, 1962.

Officers Present

Mr. I. Cummins

MAIN SUBJECT(S):

Australian Trade Representation in the Arab Gulf Area.

Mr. Hickey rang in connection with the proposed establishment of a Trade Commission in Teheran. He said that although Cabinet's approval for this project had been given in 1959 the general instability in Iran had resulted in the opening of the mission being delayed. He felt that the prospects were now a little brighter following the Shah's recent visit to the United States (he mentioned that this was the line taken by "The Economist" Foreign Report). I said that in spite of this it may be too early for optimism although the Americans strongly supported Dr. Amini there was no guarantee that he enjoyed the full support of his Cabinet nor indeed of the Shah himself.

2. Mr. Hickey then said that although Trade felt that the situation in Iran may be improving, the following locations were now being considered as alternatives :

(i) Kuwait: I pointed out that while Kuwait is now an independent state, the establishment of a Trade Commission there would certainly annoy the Iraqis and thereby reduce the volume of trade Australia would expect to attract in the area.

(ii) Bahrain: Geographically this may be the best place to establish a Trade Commission, but the British would have to be consulted. Mr. Hickey thought he remembered that relations between Bahrain and Kuwait were strained.

(iii) The third alternative would be to have Beirut act as the centre for Australian trade representation in the Persian Gulf area. If this was to be done, Trade would send another man to Beirut who would spend most of his time visiting the Persian Gulf states and Iran.

3. Mr. Hickey felt that since the advent of the Kassem regime in 1958, Baghdad had lost much of its attraction as a trading centre and the experience of the recent Australian trade mission there had reinforced this view.

4. In a subsequent conversation I told Mr. Hickey that the situation was complicated by Iran's claim to Bahrain, which it regarded as one of its provinces. Mr. Hickey said that Trade would give further thought to the matter.

F780/1

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FOLLOWING POSTS:

Report prepared by Ian T. Cummins

ACTION:

7748/60.

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F. ~~Middle East~~ 1

Australian Trade with Middle East 780/1

£A '000

	1959/60		1960/61	
	Imports	Exports	Imports	Exports
Bahrain	3746	450	2909	776
Kuwait	7118	701	7219	1354
Qatar	19,237	163	14,497	249
Saudi Arabia	6243	868	10,879	873
Yemen	18	16	6	4
Other Arabian States	128	399	7	506
Iran	12,666	7,620	18,213	2,191
Iraq	286	6,810	4,555	7,974
UAR	537	1,301	57	2,909
Israel	209	106	531	84

Mr Peachey

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Main Commodities 1960/61

£A'000

	Imports		Exports	
Bahrain	Petroleum (£1,865)		Meat	111
	Power Kerosene (772)		Butter	127
	Kerosene nei	264	Cheese	60
			Eggs in Shell	48
			Flour	266
			Fruit	28
Kuwait	Petroleum	7178	Meat	119
	Kerosene	37	Butter	55
			Cheese	252
			Barley	110
			Flour	562
			Jams + Jellies	49
			Motor Vehicles	74
Qatar	Petroleum	14697	Meat	49
			Eggs	30
			Flour	98
Saudi Arabia	Petroleum	7982	Meat	149
			Butter	72
			Ghee	36
			Cheese	257

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		Eggs 42 Wheat 81 Barley 11 Flour 131
Yemen	Coffee 6	Unrecognisable
Other Arabian States	Coffee 5	Wheat 74 Barley 19 Flour 377
Iran	Petroleum crude 14,126 Petroleum spirit 3,101	Eggs 1336 Wool 751 Motor Cars 39
Iraq	Dates 203 Petroleum 4310	Chaff 212 Wheat 7111 Jams & jellies 45 Wool 106 Motor Vehicles & pts. 108 Sleepers 263
U A R.	Vegetables 31 Cotton piece goods 6 Films 3	Meat 286 Milk 51 Wheat 1899 Flour 36 Wool 370 Motor Vehicles 88

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Israel.

Piece goods 155
Diamonds 102

Chum 11
Peas 22
Wool 25
Aircraft + Parts 11

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DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

KFH

I.5171

FROM:

Dated: 2nd March, 1962.
1645
Rec'd: 3rd March, 1962.
0330

Australian High Commission,
LONDON.

920. RESTRICTED.

Repeated Karachi 7.

Have just received a request from East and West Marketing Company of London for the names of London Agents Australian firms interested in exporting 3,000 head live sheep from Australia to Kuwait. Names provided Elder Smith, Dalgety, A.M.L.F. Overseas Farmers, Goldsbrough Mort, Australian Estates New Zealand Loan. Appears South Africa have obtained orders for sheep in the past because no shipping available from Australia. Strongly recommend forthcoming trade mission to Middle East explore the potential market for sheep. Would appreciate advice as to names of any other potential Australian exporters of sheep, conditions of export and any other appropriate information so that this will be available here when needed in the future.

MIN.&DEPT TRADE(C.S.M.)
MIN.&DEPT PRIMARY INDUSTRY(C.M.)
E.A.
TREASURY
P.M'S DEPT
P.M's

3rd March, 1962.

SEC A/Ss ER EAF&ME E AF ME INF

780/1

RESTRICTED CYPHER CABLEGRAM

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780/1/1
SECRET

GUIDANCE NOTES FOR AUSTRALIAN EMBASSY, CAIRO

SECTION I - AUSTRALIAN INTERESTS IN THE MIDDLE EAST

(1) POLITICAL

(i) Australian interests in the Middle East - General

(ii) Australian Representation

(iii) Australian relations with Middle East Countries

(iv) The role of the United Nations in the Middle East

(2) ECONOMIC

(i) Trade

(ii) Shipping

(iii) Civil Aviation

~~(iv)~~ (iv) General

(3) DEFENCE

(4) CONSULAR

(i) Immigration

(ii) Other

SECTION II - AUSTRALIAN INTERESTS IN THE UNITED ARAB REPUBLIC

(1) POLITICAL

(i) Australian interests in the U.A.R. - General

(ii) Australian relations with the U.A.R.

(iii) Problems existing with the U.A.R.

(2) ECONOMIC

(i) General

(ii) Civil Aviation

(iii) F.A.O.

SECRET

/2. . .

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SECRET

(3) DEFENCE

(4) CONSULAR

(i) Immigration

(ii) Australian property

SECTION III - FUNCTIONS OF THE AUSTRALIAN EMBASSY, CAIRO

(1) POLITICAL

(i) Area of interest

(ii) Reporting - subjects, methods and distribution

(2) ECONOMIC

(i) Reporting

(ii) Publications

(iii) Trade

(3) DEFENCE

(4) CONSULAR

Migration

(5) CULTURAL

(i) Technical ass co-operation

(ii) Visits

SECRET

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1960/61

Imports	Exports
2,909	776
7,219	1,354
14,497	249
10,879	873
6	4
485	1,600
—	—
18,213	2,191
4,555	7,974
535	84
—	323
7	1,580
—	—
850	8,198
60,155	25,206
− 34,949	

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SECRET

Australia's most important trade partner in the area is Iran ~~and~~ (there have been ~~xxxxx~~ negotiations towards a trade agreement between Iran and Australia). Qatar, Kuwait and Iraq are also important trade ~~positions~~ partners. Crude petroleum is the main import from each of these countries. The most important markets for Australian exports are Kuwait, Iraq, Iran and Saudi Arabia. Exports comprise mainly flour, meat and cheese, ~~xxxx~~ wheat, wool and hides. For the area as a whole, flour is the main export; it plays an important part in trade with most of the countries in the region. Iraq and Saudi Arabia, and more recently the U.A.R., have imported large quantities of Australian wheat. Wool is exported only to the U.A.R., Iran, Iraq, and the Lebanon. Other commodities sent to the area are butter, cheese, meat, jams, jellies and dried milk; and in recent years there have been some exports of iron and steel pipes to Kuwait and Qatar.

Imports from the area are steadily increasing, largely because of greater use of crude petroleum in Australia. After the events of 1956, exports ~~xxxx~~ tended to decline but they have ~~now started to~~ since increased ~~somewhat~~. The Department of Trade has been taking an increasing interest in the potential market in the Middle East: A Commercial Counsellor ~~has been appointed~~ is stationed at Cairo; and the Trade Commissioner at Karachi has made a number of visits to various countries of the region. Agreement has been reached in the establishment of a Trade Commission at Beirut to be opened in mid-1961, and negotiations are proceeding for the opening of a Trade Commission at Teheran. It is expected, however, that the development of these markets will be a slow process.

the countries on the Persian Gulf.

Two large Australian Trade Missions visited the area in the early part of 1961

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SECRET

(ii) Shipping.

The problems of shipping through the Suez Canal have become very prominent in recent years, mainly as a result of the efforts of Egypt and other Arab countries in the Middle East to prevent Israel using the Canal. There has been some form of "undertaking" by the United Arab Republic to allow Israel cargoes to go through the Suez Canal provided they are consigned c.i.f. inwards and fob. outwards, since in this case it can be said that the cargoes are not Israel property until they actually arrive in Israel and cease to be Israel property as soon as they leave. However, this undertaking has not in fact prevented further seizures of Israel ships in the Canal. Freedom of transit through the Canal is a matter of considerable importance to Australia since a very large part of Australia's trade passes through the Canal.

(iii) Civil Aviation.

Australia has considerable civil aviation interests in the Middle East. The Kangaroo route includes five points in the region (Istanbul, Beirut, Cairo, Teheran, and Bahrain), and it is therefore most important for us to preserve, and where necessary consolidate, our landing and traffic rights in the countries concerned. At present we have Air Agreements with Turkey, the Lebanon, the U.A.R., and Iran and our rights in Bahrain are covered by our Agreement with the United Kingdom. Negotiations for an Air Agreement with Iran were successfully concluded in July 1960. We also have a temporary permit to operate through Iraq should this be considered desirable.

(iv) General.

Because of our high degree of dependence on imports of petroleum from the area, we are interested in the general economic situation there and in important economic developments, particularly in regard to the operations of the oil companies. There has been conside

SECRET

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activity in the Economic Council of the Arab League in the direction of economic integration in various fields; for instance, efforts are now being made to form an Arab Pipe-line Company and some progress has been made towards the establishment of an Arab Common Market. The economic committee of the Central Treaty Organization has been working on such projects as the rationalization of the highway and railway systems and other communications in attempts to link the capitals of Turkey, Iran and Pakistan. While we have no direct interest in the economic operations of CENTO, we have a general interest in any economic development resulting from the work of the Economic Council.

Since 1956 the Communist Bloc has been increasing its aid programmes in the Middle East. Aid activity by the Communist Bloc in all parts of the world is a matter of much interest to the Department.

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Section II. Australian interests in the U.A.R.

(2) ECONOMIC.

SECRET

(i) General.

The United Arab Republic with its population of almost 30 millions represents a great potential market for Australian exports. Australian trade with Egypt and Syria has, however, never been large; but it is now showing signs of a recovery from the very sharp falling off which followed the events of 1956. (See the table on page ...). Expansion of Australian trade with Egypt (especially if more goods are imported from Egypt) would help to increase Australia's influence in Egypt, though the U.A.R.'s shortage of foreign exchange, its import regulations and its desire to maintain a balanced trade with its trading

partners will make a substantial SECRET expansion of trade a

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difficult task. Prospects for Australian exports to the U.A.R. should improve considerably if we are able to offer extended payment terms (e.g. the sale of 100,000 tons of Australian wheat, in April 1961, on the basis of a minimum of eighteen months' credit).

Imports from the U.A.R. comprise mainly pulses, dried vegetables, raw cotton, and tobacco. Exports include wheat, wool, meat, flour, dairy produce, and canned goods.

The situation in the Suez Canal can have an important effect on Australian trade, since ships carrying Australian imports from the exports to Western Europe and the United Kingdom normally pass through the Canal. Any increase in transport costs which may occur as a result of political disturbances in the Canal area can adversely affect the Australian balance of payments.

(ii) Civil Aviation.

Cairo is the main centre of air traffic in the Middle East and is the regional headquarters of ICAO. It is important to Qantas because it is a natural stopping place on the route between Australia and the United Kingdom and because the Cairo airport is suitable for large jet aircraft. Qantas operates through Cairo under authority of the Australian/ Egypt Air Transport Agreement which was signed at Cairo on 14th June 1952, entering into force on 12th October 1952 (Australian Treaty Series 1952, No.13).

All the Qantas Boeing 707 aircraft Kangaroo Route services pass through Cairo. The frequency from 1st April 1961 will be four flights weekly in each direction.

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Qantas services through Cairo have suffered two major interruptions since their inception. The first was during the disturbances in Cairo in early 1952, when all the Kangaroo Route services were re-routed through Beirut. Services through Cairo were resumed in September 1952. On 30th October 1956 because of the Suez crisis, Qantas services were again diverted, this time through the Karachi-Istanbul sector, and were not resumed through Cairo until 1st February 1958, when Qantas became the first Australian commercial concern to be allowed to resume operations in Egypt.

In November 1954 the Egyptian authorities proposed to Australia, along with other countries operating airlines through Cairo, an agreement on the mutual waiving of tax on profits of international air transport companies. Australia declined to enter into such an agreement.

(iii) F.A.O.

Egypt (and since 1958 the U.A.R.) has been a member of the F.A.O. since 1945; it has also been a member of the F.A.O. Council (established in 1948) from its inception up to the present. At the tenth F.A.O. Conference held in Rome in October/November 1959, the U.A.R. was re-elected to the Council for a further period of three years terminating in 1963. Australia supported the U.A.R.'s re-election..

Relations between the Australian and U.A.R. delegations at the tenth F.A.O. Conference were cordial.

F.A.O. is divided into different regional groupings for distribution of seats on the F.A.O. Council. Israel, which joined in 1949, was a member of the F.A.O. Near East region until 1953, when following on Arab League pressure, it was transferred to the European region of the Organization. This meant that

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Section III Functions of the Australian Embassy, Cairo

SECRET

(2) ECONOMIC.

(i) Economic Reporting.

We should appreciate reports on the economy of the U.A.R. and the mission should try to provide regular quarterly reports, similar to the reports of other missions overseas on the countries to which they are accredited. ~~It is appreciated that it may be difficult to obtain~~ information on Syria for this purpose. The Embassy will need to decide, in view of the circumstances, whether it would be better to forward separate reports on the two countries, or whether it will be possible to deal with the whole of the U.A.R. ~~in the one report.~~ The quarterly reports should give an account of events of interest in the economy over the relevant period, but their main emphasis should be on evaluating the main economic trends and on the effects of any important events during the period under review. Integrated reports of this kind at regular intervals are of great value, not only to ourselves but to other Commonwealth Departments and agencies interested in overseas economic trends. The political significance of economic trends and events should also be borne in mind and appropriate comments made.

A list of economic topics of interest to us and to other Commonwealth Departments is set out below. This is neither exhaustive nor mandatory, and is intended only as a general guide in compiling quarterly reports. Clearly, not all the subjects listed can be covered in such reports, which should not be ~~too long nor~~ too detailed; the objective should be to convey an up-to-date general picture of the state of the economy. In the mission's first report of this kind, we would appreciate ~~some~~ descriptive background material on

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Israel was excluded from the activities of the Near Eastern region office, situated in Cairo. Similarly, Israel has been excluded for the last eight years from the locust control activities conducted by F.A.O. on a regional basis.

Early in 1958, an agreement was proposed covering cooperation between the Arab League and F.A.O.. The Israel Government raised a number of objections against the draft agreement subsequently put forward. The essence of the Israeli case was that the Agreement "would serve no useful or practical purpose but on the contrary would serve only to bolster the sagging prestige of a body with a bad international record". In the event, the tenth F.A.O. Conference approved the draft agreement without a vote being taken. The Australian delegation had been instructed to abstain had a vote been taken.

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Section I Australian Interests in the Middle East

780/1

(2) ECONOMIC

(i) Trade

Australian trade with the Middle East is important mainly because of the large imports into Australia of crude petroleum and petroleum products. Traditionally Australia has a heavy deficit in her trade with this area. Over the last few years trade has been as follows:-

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AUSTRALIA - TRADE WITH THE MIDDLE EAST £'000

COUNTRY	1954-5		1955-6		1956-7		1957-8		1958-9		1959-60	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
Arabian States :												
Bahrain	15,319	439	14,862	413	3,842	654	1,918	426	2,691	489	3,746	450
Kuwait	ø	ø	ø	ø	10,064	1,301	9,263	1,050	6,234	905	7,118	701
Qatar	ø	ø	ø	ø	ø	ø	ø	ø	15,981	157	19,237	163
Saudi Arabia	6,863	957	4,654	875	2,199	788	7,239	725	4,546	954	6,243	868
Yemen	273	68	7	6	15	13	8	5	13	5	18	16
Other	5,396	547	9,084	745	7,329	418	10,861	408	2	342	128	399
Egypt	311	1,879	197	1,774	83	462	93	427	-	-	-	-
Iran	5,934	292	22,819	745	17,804	1,187	18,887	699	20,666	753	12,666	3,620
Iraq	414	260	323	2,170	290	2,366	232	996	209	1,187	286	6,810
Israel	220	111	140	88	96	14	165	21	138	34	209	106
Jordan	2	111	-	307	-	8	-	79	-	72	1	77
Lebanon	6	808	2	585	1	431	5	302	3	233	6	1,176
Syria	18	263	10	2,099	7	16	19	75	-	-	-	-
United Arab Republic (Egypt & Syria)	-	-	-	-	-	-	-	-	45	958	537	1,301
TOTAL	34,738	5,472	52,088	7,708	41,695	7,642	48,671	5,138	50,512	6,078	50,195	15,687
	- 29,266		- 44,380		-34,053		- 43,533		- 44,434		- 34,508	

SECRET

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780/11

F. Saudi Arabia /2

See W.T.I.S. Economic Report Pt. 1 No. 61-37

"Economic Developments in Saudi Arabia 1960"

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10.19.7

780/1

604965.
/G/ET.

DEPARTMENT OF EXTERNAL AFFAIRS
18 JUL 1960
CANBERRA

15th July 1960.

The Manager,
Bahashwan Alnaijjar Trading Co. Ltd,
P.O. Box 109,
HADHRAMAUT, Aden.

Dear Sir,

I wish to acknowledge your letter of 13th June 1960, addressed to the Economic Affairs Bureau, Ministry of Foreign Affairs, Australia, and seeking contact with suppliers of various commodities in Australia.

In reply, I would advise that I have brought your enquiry to the notice of appropriate exporters, asking them to reply to you direct.

If you desire any further information regarding exports from Australia, I suggest you contact Mr. R. B. Hines, Australian Government Trade Commissioner, 9 Kutchery Road, Karachi...4, who I am sure will be only too pleased to assist you.

Yours faithfully,

(K. Le Rossignol)
Acting ASSISTANT SECRETARY

C.C. The Secretary,
Department of External Affairs,
CANBERRA.

For your information. Your 780/1 of 6th July 1960 refers.

(K. Le Rossignol)
Acting ASSISTANT SECRETARY

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780/1

6th July, 1960.

The Secretary,
Department of Trade,
CANBERRA.

Trade Enquiry.

We are attaching a copy of a letter of 13th June, 1960 received from Bahashwan Alnaijjar Trading Company Ltd., and would be grateful if you would reply direct to that company.

(F.T. Homer)
for the Secretary.

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Cable Address :
"NAIJJAR"
MUKALLA
(Hadhramaut)
P. O. Box No. 109

شركة باحشوان النجار التجارية المحدودة

مصدرون – موردون – وكلاء بالخدمة
حضرموت – عدن – الجنوب العربي

تلغرافياً : « النجار »
المكلا
ص. ب. رقم ١٠٩

BAHASHWAN ALNAIJJAR TRADING COMPANY Ltd.

Exporters, Importers & Commission Agents
HADHRAMAUT - ADEN - SOUTH ARABIA

DEPARTMENT OF
EXTERNAL AFFAIRS
24 JUN 1960
780/1
CANBERRA

Date 13th. June, 1960. التاريخ
Our Ref No. Aus-ralia/8/1. مرجعنا رقم
Your Ref No. ..... مرجعكم رقم

To:-
Economic ~~Affairs~~ Affairs, Bureau,
Ministry of Foreign Affairs,
Australia.

Sirs,

We are anxious to address you this letter, in which we are expressing to you our desire for the introduction of your esteemed Factories and companies in Australia, whom are dealing with the under articles:-

Food-Stuff, Household, Furnisher, Footware, Metal-Ware, Plastic goods, Paints, Wearing Apparel, Sandries, and all other manufactured goods of Australia.

We have a good will that you will establish our address in your papers of Commercial Buletion, or send us a list in which there are addresses of F & Cos.

Thanking you in advance.

Yours Faithfully.
Bahashwan Alnaijjar Trading Co.,
Limited.

محمد احمد علي باحشوان
MOHAMED A. A. BAHISHWAN

MAAB/Abdulla.

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BY AIR MAIL
PAR AVION
AIR LETTER
AEROGRAMME

To:-
Economic Affairs Bureau,
Ministry of Foreign Affairs,
AUSTRALIA

Canberra
A.C.T.

First fold here

Second fold here

Sender's name and address:
Bahashwan & Kathiri Trading Co. Ltd.
P.O. Box No. 109.
Mukalla.
Hadhramaut, S.W. Aden.
South Arabia.

BRISBANE
QLD
4 PM
23 JUN
1960
POSTED
PILLAR

SIGN YOUR NAME
FOR SECURITY
BONDS NOW

AN AIR LETTER SHOULD NOT CONTAIN ANY ENCLOSURE; IF IT DOES IT WILL BE SURCHARGED OR SENT BY ORDINARY MAIL

To open out here

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DEPARTMENT OF EXTERNAL AFFAIRS
CANBERRA

April 1960
ER

-Middle East Economist-

F. Arab Common Market

ER

Editorial Notes

190/4-15

Arab Regional Economic Cooperation: Resolutions and Realities

Paralleling the global trend toward regional economic cooperation, the Arab League Economic Council has intensified its activities in the past two years. At its most recent meeting, which was held in Cairo from March 5 to 13, the Council adopted recommendations on numerous and often ambitious projects. Most ambitious was the project for an Arab pipeline company with an initial capital of $ 14.25 million. Participating countries are Saudi Arabia, Kuwait and Iraq (20% each), the UAR and Lebanon (10% each), with the remaining 20% reserved for the other countries. The project envisages two pipelines, one going from Kuwait to Saida (Lebanon), the other extending from Iraq to Saida. The pipelines, with a daily capacity of 800,000 barrels daily, will cost over $ 400 mill. to construct and are to be completed in a period of seven years.

Formation of the Arab pipeline comapny was approved by the League's Economic Council last month. But it is at this point that the real problems begin. The pipelines will require vast sums (some estimates go as high as $ 660 mill.) which the so-called have-not countries veritably do not have and which the "oil-rich" Arab countries are not particularly eager to part with, even if they had surplus funds for long-range investment of this type. Only Kuwait, with its $ 750 mill. in British government securities, can be seen as a major underwriter of the scheme. But, perhaps more important, there are serious doubts as to the feasibility of the entire project in view of the advent and rapid expansion of supertanker fleets and declining tanker rates. While Arab League spokesmen have suggested that the new pipelines will supplement existing lines transporting surplus supplies, it should be noted that Tapline deliveries declined by 8.1% last year, that the line is being used below capacity and that this trend may well persist.

Another difficulty is the reported Lebanese declaration that Beirut would not allow the pipelines transit through its territory unless 5% of the oil revenues were set aside for an Arab Development Bank according to Emile Bustani proposals. Indeed, as stated by Finance Minister Khulusi al-Khayri, head of the Jordan delegation to the conference, the Arab financial institution "is considered the base for the implementation of the major Arab aviation, navigation and oil pipeline projects whose establishment has been agreed upon" (Amman Radio, Mar. 18). But the Arab development fund, either in its original form as approved by the Arab League Economic Council in 1957 or in the form proposed by Bustani (the 5% plan), was referred back to the Governments for further study.

The Council adopted many other recommendations including agreement on a unified oil policy, establishment of an Arab navigation company and airline whose final drafts are to be drawn for the next Council meeting in May, formation of an Arab common market within 10 years, expansion of Arab railway networks and reconstruction of the Hedjaz railway, lifting of administrative restrictions on commerce between Arab countries, and organizing a permanent bureau for affairs concerning Arab economic unity.

In the face of all these recommendations and resolutions, the basic reality of the Arab world remains its divisiveness and its particularism, whether expressed in the sharp political conflicts such as the one between Cairo and Bagdad or in the economic differences (for example the drive in each individual Arab country for self-sufficiency or economic independence). The Arab countries are not ready for regional cooperation, certainly not on the scale envisaged by the recent Arab League Economic Council meeting. Instead of spreading itself thin over a large number of ambitious schemes, the Council of the League might have well accomplished more concrete and lasting results were it to bring to realization, as a project of first priority, the Arab Development Bank which has been in the discussion stage nearly a decade.

National Archives of Australia NAA: A1838, 780/1 PART 1

780/1

File
Aust/Middle East Trade

DEPARTMENT OF EXTERNAL AFFAIRS,
CANBERRA.

In reply quote No. 214/10/6/1

Memorandum No. 26

The Australian Legation,
CAIRO.

12th February, 1960.

VISIT TO MIDDLE EAST BY ASSISTANT TRADE COMMISSIONER, ROME.

As you are aware from your conversations in Rome on the way to Cairo, the Assistant Trade Commissioner at Rome is to visit certain Middle Eastern countries shortly. He will not be visiting either region of the U.A.R. At the moment the intention is that he should visit Greece, Lebanon and perhaps some other Mediterranean countries. It is not expected that he will visit any Arab countries except Lebanon.

(J. R. Rowland)
for the Secretary.

E. R. Branch

For information.

(J. R. Rowland)
for the Secretary
12th February, 1960

File

National Archives of Australia NAA: A1838, 780/1 PART 1

780/1

MR. R. FELGENHAUER, CIVIL AVIATION, MELBOURNE EK
CUMES, E.A., CANBERRA.

CONFIDENTIAL

YOU ASKED ME ON WEDNESDAY ABOUT THE SITUATION IN THE MIDDLE EAST.

2. OUR PRESENT ESTIMATE IS THAT...

TAKE FROM ATTACHED PLEASE — "A"

File

5/7/60

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS. SECRET

INWARD CABLEGRAM.

HP :JD. I.4007.

FROM: Sent: 5th March 1959. 1645.

Australian High Commission, OTTAWA. Recd: 6th March 1959 0901. (via leased channel)

62. SECRET. PRIORITY.

Repeated Austunat New York 6, Washington 80, and London (for External) 2.

Australian Interests.

Cairo advises that a decree which repeals Proclamation 5B as well as No.5 was issued on March 3rd. Removal of the disabilities on Australian nationals has been effected concurrently therefore with action vis-a-vis United Kingdom notwithstanding Zulficar Sabry's suggestion as reported in Cairo's telegram 148 of February 27th (i.e. our 59 of 4th March) that action on 5B might follow by a few weeks a settlement with the United Kingdom. The text of decree will be cabled when available.

2. Legal Adviser to the Sequestrator General and Ministry of Economy indicated that the original draft decree dealt with Proclamation no 5 only and that 5B was added at a later stage by the Ministry of Economy. He suggested that this action was taken possibly without consulting the Foreign Ministry.

3. Cairo will comment separately on consequences of repeal of 5B.

4. In a separate telegram Cairo advises that they were informed on 4th March by Head of Foreign Interests Section in Foreign Ministry that lifting of visa restrictions would follow automatically on repeal of Proclamation 5B. They will advise further on appropriateness of submitting a formal request as mentioned in their telegram 132 of February 25th, sent to you by bag through London (see our telegram 59).

MIN. & DEPT. E.A.(214/10/1)
P.M.'S DEPT.
P.M.'S.

6th March, 1959.

SEC A/Ss LA MR.B.C. HILL MR. BARNETT MR.B.DEXTER DR.CUMES

F 780/1

SECRET

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

INWARD CABLEGRAM.

NG:CM

I.20999

780/1

Dated: 1st December, 1958.
1530
Rec'd: 2nd December, 1958.
0830

FROM:

Australian High Commission,
KARACHI.

393. UNCLASSIFIED. PRIORITY.

From Hines.

After consultation with United Kingdom political agents at Kuwait, visit to Baghdad abandoned. Bahrein and Kuwait visits completed. Details forwarded by mail.

TRADE (C-S-M)
E.A.

2nd December, 1958.

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

EXTERNAL AFFAIRS.

File No. 780/1

Date 19th November, 1958

2050/43.

SUBJECT VISIT OF COMMERCIAL COUNSELLOR, PARIS, TO TUNISIA, ALGERIA AND "MOROCCO"

FOR MR. DOIG

Trade (Mr. Thompson, speaking on behalf of Mr. Street) advised yesterday that they have had in mind that Taysom, Commercial Counsellor, Paris, should visit Tunisia, Algeria and "Morocco" during the latter half of February, 1959. Thompson assured me that Taysom would be consulting Mr. Stirling about the visit and said that they wanted us to know of the proposal in advance. They would appreciate any comments, guidance, etc. which we might wish to offer.

2. I feel that the advance notification in this case (we have not always been so favoured) stems from a recent conversation I had with Street about the desirability of keeping in touch with us about visits of Trade Commissioners to countries and territories in which Australia is not represented (cf. Hill's visit to Persian Gulf Area and Iraq).

3. If only from the point of view of maintaining co-operation with Mr. Street in regard to matters of this kind I suggest that we might display some interest in the proposed visit to North Africa and attach an extra copy of this note in case you should wish to pass it to Mr. Hill (E.A.& M.E.). for comment.

Economic Relations Branch

KD/BB

→ MR. DESMOND, E.R.

Mr Kelleher

My view is that Taysom's visiting these places is O.K. provided Stirling does not think

(a) there is no value in his visiting Algeria which is part of France politically though it may purchase separately – I doubt whether it would do so however in terms of Australian goods

and (b) Stirling does not think French would object to our Counsellor (Commercial) in France working also in T. & M. (Taysom toured Spain & Portugal officially in May this year

Mr. Doig

I don't know whether you've seen Mr Hill's comments →

Subject to your comments I would propose replying to Trade along lines set out by Mr Hill

K 20/11

Yes the Thank Mr Hill's comments. Shall we advise Trade that we would be glad to have an opportunity to comment on Taysom's proposals when they are available?

Boy goes to Tokyo on 1/12 and will be away until 24/11

National Archives of Australia NAA: A1838, 780/1 PART 1

19th November, 1958

VISIT OF COMMERCIAL COUNSELLOR, PARIS, TO TUNISIA, ALGERIA AND "MOROCCO"

MR. DOIG

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Economic Relations Branch

KD/BB

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

OUTWARD CABLEGRAM.

RDS:CM

O.13557

TO:

Sent: 28th October, 1958.
1330

Australian High Commission,
KARACHI.

276. UNCLASSIFIED.

For Trade Commissioner.

Approval granted to visit Persian Gulf and Baghdad. Brief being prepared.

TRADE (C)(816/1/10)
P.M'S

Cost 9/2

29th October, 1958.

SEC A/Ss ER ADMIN PERS TRAVO

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS

OUTWARD CABLEGRAM.

RDS:CM

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29th October, 1958.

SEC A/Ss ER ADMIN PERS TRAVO

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

INWARD CABLEGRAM.

780/1

CM

I.18629

Dated: 25th October, 1958.
1430
Rec'd: 26th October, 1958.
0900

FROM:

Australian High Commission,
KARACHI.

U/N. UNCLASSIFIED. PRIORITY.

From Hines.

My memorandum 2nd September.

Request approval proceed Bahrein 18th November Kuwait 23rd November, Baghdad 28th November return Karachi 6th December subject availability bookings.

TRADE (C-S-M)
E.A.

27th October, 1958.

ER

F Mac Carthy 1/1

National Archives of Australia NAA: A1838, 780/1 PART 1

DJM/BB CONFIDENTIAL

780/1

11th August, 1958

The Australian High Commission,
KARACHI 681.

Australian Trade Representation

Reference is made to your memorandum No. 996 of 14th July enclosing copy of the Trade Commissioner's Report of 8th July to the Department of Trade on Australian Trade Representation in South West Asia.

2. Your comments in this connection are appreciated. The matter of continued trade representation in Karachi has been discussed with the responsible First Assistant Secretary of the Department of Trade, who has assured us that that Department fully recognises the necessity of continued trade representation in Pakistan.

3. The Department of Trade agrees generally with your assessment of medium-term trade prospects in Pakistan. Furthermore, for your own information, in addition to appreciating the political aspects of the matter, the Department of Trade regards Karachi as a good training ground for new Trade Commissioners.

4. As regards the Persian Gulf area, the Department of Trade recognises its importance from a trade point of view but does not expect to open up a Trade Commissioner post there in the foreseeable future. To the extent practicable it is proposed to service this area from Karachi.

(D.J. Munro)
for the Secretary

CONFIDENTIAL

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS
78018
21 JUL 1958
CANBERRA

AUSTRALIAN HIGH COMMISSION,
9 KUTCHERY ROAD,
KARACHI.

In reply quote No. 36
Memo No. 996/58

14th July, 1958

CONFIDENTIAL

CONFIDENTIAL

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

AUSTRALIAN TRADE REPRESENTATION
SOUTH WEST ASIA

I enclose herewith a copy of a letter which the Trade Commissioner has sent to the Department of Trade.

2. This letter was written after Mr. Hines returned from a short visit to Iraq and Iran. He showed me the letter in draft before despatch and I made one or two suggestions which were incorporated :-

(a) in paragraph 2 qualifying pessimism as to prospects in Pakistan, and

(b) in the second half of paragraph 10, and the stress in paragraph 15 against withdrawing the Trade Commissioner Post here or leaving it to operate under another Post.

3. I am in general agreement with the letter as sent. With regard to paragraph 10, I am still of the opinion, which I expressed some two years ago, that the maintenance here of a Trade Commission under an Australian based officer is justified from the medium term aspect, even if not by the present state of Pakistan Australian Trade. The maintenance of contacts against the time when relaxation of present import restrictions permits resumption of trading is in my opinion all important, as once these are lost it will be difficult to resume them against competition from those who have maintained contacts.

High Commissioner

CONFIDENTIAL

1955	121	1.8
1956	144	3.0
1957 (estimated)	150/160	1.0

Because of variable, multiple exchange rates it is difficult to work out a similar table in respect of Iran, but at the present time imports are running at about £(Aust)120 million per annum and rising each year. (Pakistan's total imports on both Government and private account are about £(Aust)200 million per annum.)

/4. The rising .....

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National Archives of Australia NAA: A1838, 780/1 PART 1

CONFIDENTIAL

AUSTRALIAN GOVERNMENT TRADE COMMISSIONER

KARACHI

8th July, 1958

CONFIDENTIAL

E.P. McClintock, Esq.,
First Assistant Secretary,
Department of Trade,
CANBERRA. A.C.T.

CONFIDENTIAL

TRADE REPRESENTATION - SOUTH WEST ASIA

It is not possible for one man stationed in Karachi to give anything approaching adequate coverage to the vast territory now attached to this Post. I think the Department would also accept as fundamental that, because of the distance factor and lack of continuing contact, additional areas can only be given second-class service.

2. This is a somewhat ludicrous position insofar as this Post is concerned as, using total imports as a yardstick of current market potential, Iran and Iraq provide a much greater market than Pakistan without taking into account the Persian Gulf Sheikdoms, etc. within the additional area. In addition, Iran and Iraq have expanding economies while Pakistan's - in the short term, at least - can only be considered as static. (There is little doubt that it will improve but when and to what extent are matters for some conjecture.)

3. Largely due to their greatly enhanced oil revenues, Iran and Iraq are on the upswing of an economic developmental boom which, although it may level off, can be confidently expected to keep the economies of both countries at a fairly high level. Imports have been increasing rapidly as indicated by the following data in respect of Iraq:-

Iraqi Year	Total Imports £(Aust) millions c.i.f.	From Australia
1952	77	0.4
1953	86	0.2
1954	91	0.5
1955	121	1.8
1956	144	3.0
1957 (estimated)	150/160	1.0

Because of variable, multiple exchange rates it is difficult to work out a similar table in respect of Iran, but at the present time imports are running at about £(Aust)120 million per annum and rising each year. (Pakistan's total imports on both Government and private account are about £(Aust)200 million per annum.)

/4. The rising .....

CONFIDENTIAL

National Archives of Australia NAA: A1838, 780/1 PART 1

4. The rising level of imports in both countries is indicative to a degree of the impact of the developmental programmes which have been in force for some years. There has been a greatly increased demand for capital goods and, with living standards rising, the demand for consumer goods is also on the increase. Raw material imports are relatively small at the moment, but could be expected to grow with the planned industrial development.

5. (Largely because of the prodigal use of oil revenues, no such economic expansion seems likely in Saudi Arabia or its smaller Sheikdoms. In addition, the Arabian Peninsula does not have the natural resources of Iran and Iraq - the soil is poor, water potential doubtful, and, in addition, the nomadic habits of most of the population militate against settled agricultural or industrial expansion.)

6. What prospects are there then for Australia obtaining a greater share of the Iraqi and Iranian markets? At the present time our exports to the two countries are just over £2 million and £1 million per annum respectively. Wheat is the principal item in both cases, and such exports are spasmodic, being possible only in times of poor local harvest. In both countries Australia suffers from two initial disadvantages. Firstly, there is the old problem of the entrenchment of U.K., U.S. and Continental firms; secondly, much of the capital equipment required for development projects is specified by the consultants or contractors for supply from their own countries - with only one Australian firm in the field we are at a big disadvantage.

7. Can Australia get into the market notwithstanding? I consider that the answer is a most definite affirmative, provided -

(a) We are able to open a post in the area so that developments can be watched on a day-to-day basis.

(b) Australian firms can be "sold" on prospects - too many businessmen are inclined to by-pass Iran, Iraq, etc. If on a world tour including Asia they fly on after Pakistan and certainly exclude the area from and "Asian" tour.

(c) We can overcome our m.f.n. disadvantages in Iran.

(d) More Australian firms can be persuaded to follow the lead of Stephenson and Turner and T.M. Carey and Associates.

8. At this stage I will not go any further into the question of the need for representation in the area as I think the Department is fully aware of the problem. I would point out, however, that quite apart from the difficulties of finding a suitable person, I do not believe that a Trade Correspondent could do justice to our needs in the area, largely because many of our interests are more connected with commercial policy, etc. rather than trade promotion and salesmanship.

9. On the question of locale there is no doubt in my mind that the choice is limited to two centres, namely, Baghdad and Teheran. The other sites suggested from time to time can be excluded on the following grounds:-

Bahrein - Not centrally situated. Political difficulties vis-a-vis Iran. Relatively small local and entrepot trade both of which offer little prospect for expansion.

Climate and living conditions difficult.

/ Kuwait .....

National Archives of Australia NAA: A1838, 780/1 PART 1

CONFIDENTIAL

CONFIDENTIAL

Kuwait — Same as Bahrein except no political problems with Iran.

Basra — Has nothing to offer in comparison with Baghdad and Teheran except as port of entry for Iraq. It is only a satellite of Baghdad and head offices of Banks, import houses, etc. are invariably in the capital.

Climate and living conditions difficult.

10. A recommendation between Baghdad and Teheran is difficult. Teheran has the following points in its favour:-

(a) Iran's potential for development is greater than Iraq's, provided its oil revenues are put to good use (Iran and its off-shore area contain one-eighth of the world's proven oil reserves.)

(b) Iran's population is estimated at twenty million in comparison with Iraq's six million.

(c) Being a non-Arab country (although largely Muslim) Iran is less likely to be embroiled in political difficulties of the Arab world.

(d) There is a considerable awakening of interest in Iran. A number of British and American commercial houses are opening up branches in Teheran. For instance, Gray Mackenzie, Spinneys, General Rubber, etc.

(e) Better living conditions.

On the other hand, Teheran has three disadvantages, one of which may be overcome:-

(a) The m.f.n. question mentioned above and covered fully in my recent report.

(b) The present regime is not as progressive or efficient as that of Iraq in utilising its oil revenues on a sound basis for national development.

(c) Not quite so central as Baghdad.

11. In comparison, Baghdad has the following points in its favour:-

(a) In the short term Iraq probably offers better prospects than Iran.

(b) Besides being the capital of Iraq, it is also the part-time capital of the Iraq-Jordan Union.

(c) Secretariat Headquarters of the Baghdad Pact.

(d) Baghdad is probably the most centrally situated city in the whole area from the point of view of air and land travel.

/ On the .....

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National Archives of Australia NAA: A1838, 780/1 PART 1

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On the debit side, two points must be considered:-

(a) The relative instability of the Arab world at the present time.

(b) Iraq is, to a considerable extent, at the mercy of such neighbours as Syria who can disrupt the whole economy by stopping the flow of oil through pipelines from the northern oil fields (see report on tour.)

12. On balance I am inclined to favour Baghdad unless there is a general re-allocation of territory, e.g. from Rome, when one would have to consider the claims of Beirut which could cover the Western half, while Teheran could cover the Eastern sector. It is of more than passing interest that the Canadians have recently decided that Iraq will continue to be covered from their Beirut Office, while a new post is to be opened in Teheran to take over Iran from their Karachi post. Information has also been received that a New Zealand Government official is to make a survey of the area with a view to establishing a post in the Middle East or South West Asia.

13. If opening a new post is accepted in principle but has to be deferred for some time awaiting necessary funds, etc., I would suggest that a final decision on location be deferred as long as practicable so that in the meantime a closer appreciation can be made of the political problems in the Arab world as they affect Iraq and the ability of the Persians to implement their development plans and use their oil revenues to good advantage. In my mind, the balance between Baghdad and Teheran, even though Iran, to Australia, is largely an unknown quantity, is fine enough that any marked change in either of the above factors could have a considerable bearing on our decision.

14. In considering the allocation of any country in this part of the world to a particular post, political and religious factors must be borne in mind. Linking the Aden-Red Sea area to a northern African port would not, I believe, raise any difficulties on this score, but this would bear checking with someone with more experience of African problems. Being based in Karachi raises no difficulties in Iran, Iraq, etc. because of the common links of Islam on the religious side and the Baghdad Pact in the political sphere.

15. Whilst not strictly speaking within my brief, I feel I must pass some comment on the future of Karachi if it is to lose most of its additional area to a new Post. With only Pakistan, and possibly Afghanistan, to administer the work load would be reduced to such an extent that maintenance at its present level would hardly be warranted. From this I do not wish it to be inferred that I have in mind complete withdrawal, and the Department would, in any case, be aware of the practical and political problems involved in such a move. I would stress, however, that the calibre of the Marketing Officer and other local staff is such that no thought should be given to leaving them to operate under another Post - and an Indian Post would be politically unthinkable - even if the High Commissioner's Office was in a position to provide day-to-day supervision.

(R.B. Hines)
Trade Commissioner

CONFIDENTIAL

National Archives of Australia NAA: A1838, 780/1 PART 1

File 36

AUSTRALIAN HIGH COMMISSION
KARACHI

Memo No. 996/58

14th July, 1958

CONFIDENTIAL

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

CONFIDENTIAL

AUSTRALIAN TRADE REPRESENTATION
SOUTH WEST ASIA

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3. I am in general agreement with the letter as sent. With regard to paragraph 10, I am still of the opinion, which I expressed some two years ago, that the maintenance here of a Trade Commission under an Australian based officer is justified from the medium term aspect, even if not by the present state of Pakistan Australian Trade. The maintenance of contacts against the time when relaxation of present import restrictions permits resumption of trading is in my opinion all important, as once these are lost it will be difficult to resume them against competition from those who have maintained contacts.

High Commissioner

CONFIDENTIAL

National Archives of Australia NAA: A1838, 780/1 PART 1

F. 780/1

10th April, 1958

AUSTRALIA - EXPORTS

THE SECRETARY

The following figures show Australia's export trade with a group of countries in North Africa and the Middle East and a number of individual countries in South and South East Asia which are considered to be subject to the Communist threat:-

Australia Exports to North Africa and the Middle East.

Year	Value (£A.000)	% of Total Australian Exports
1952/3	4,554	0.52
1953/4	3,769	0.46
1954/5	3,166	0.41
1955/6	4,754	0.61
1956/7	1,279	0.13

The countries included in the above figures are Egypt, Syria, Saudi Arabia and the Yemen. Australia's main exports to these countries comprise meat, dairy products, flour, wool, wheat, chemicals, pipes and tubes and fruit.

Australia Exports to South and South East Asia

	1952/3	1953/4	1954/5	1955/6	1956/7
	Value in £A.000				
Laos	526	598	70	351	204
Burma	920	1689	1788	2040	2467
Cambodia	-	-	-3	66	40
Ceylon	14687	11847	8723	8687	10582
India	17148	14294	19428	12159	28580
Malaya	9344	9143	8410	9337	9088
Singapore	12794	11288	11600	12100	14129
Indonesia	5064	6585	3702	6705	6820
	% of Total Australian Exports				
Laos	0.06	0.07	0.009	0.04	0.02
Burma	0.11	0.20	0.23	0.26	0.25
Cambodia	-	-	0.0003	0.008	0.004
Ceylon	1.69	1.43	1.13	1.11	1.07
India	1.97	1.73	2.51	1.56	2.88
Malaya	1.07	1.10	1.09	1.19	0.91
Singapore	1.47	1.36	1.50	1.55	1.42
Indonesia	0.58	0.79	0.48	0.86	0.69

The main products exported from Australia to these countries in South and South East Asia are Flour, milk and cream, butter, metals, metal manufactures and machinery, meat, wheat, wool, chemicals and leather.

Economic Relations Branch

National Archives of Australia NAA: A1838, 780/1 PART 1

F. 780/1

10th April, 1958

AUSTRALIA - EXPORTS

THE SECRETARY

The following figures show Australia's export trade with a group of countries in North Africa and the Middle East and a number of individual countries in South and South East Asia which are considered to be subject to the Communist threat or blandishments:-

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Year	Value (£A.000)	% of Total Australian Exports.
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1954/5	3,166	0.41
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		2.13

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Australian Exports to South and South East Asia

	1952/3	1953/4	1954/5	1955/6	1956/7
	Value in £A.000				
Laos	526	598	70	351	204
Burma	920	1,689	1,788	2,040	2,467
Cambodia	-	-	3	66	40
Ceylon	14,687	11,847	8,723	8,687	10,582
India	17,148	14,294	19,428	12,159	28,580
Malaya	9,344	9,143	8,410	9,337	9,088
Singapore	12,794	11,288	11,600	12,100	14,129
Indonesia	5,064	6,585	3,702	6,705	6,820
Thailand	1,224	1,723	1,157	1,432	1,631
Sth. Vietnam	19	34	2	15	14
Sth Korea	4,219	2,586	970	516	1,125
Hong Kong	4,855	7,773	17,314	14,053	23,432
	% of Total Australian Exports				
Laos	0.06	0.07	0.009	0.04	0.02
Burma	0.11	0.20	0.23	0.26	0.25
Cambodia	-	-	0.0003	0.008	0.004
Ceylon	1.69	1.43	1.13	1.11	1.07
India	1.97	1.73	2.51	1.56	2.88
Malaya	1.07	1.10	1.09	1.19	0.91
Singapore	1.47	1.36	1.50	1.55	1.42
Indonesia	0.58	0.79	0.48	0.86	0.69
Thailand	0.14	0.21	0.15	0.18	0.16
Sth. Vietnam	0.002	0.004	0.0003	0.002	0.002
Sth. Korea	0.48	0.31	0.13	0.07	0.11
Hong Kong	0.56	0.94	2.24	1.80	2.36
	8.132	8.144	9.4696	8.630	9.876

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The main products exported from Australia to these countries in South and South East Asia are flour, milk and cream, butter, metals, metal manufactures, machinery, meat, wheat, wool, chemicals and leather.

The following figures show Australia's exports to other countries in South and South East Asia:

	1952/3	1953/4	1954/5	1955/6	1956/7
	Value in £A.000				
Japan	83,958	55,689	58,572	86,490	139,010
Pakistan	4,524	3,287	2,947	1,816	6,744
Philippines	501	1,039	1,709	2,190	3,812
China (mainl.)	681	2,192	2,705	2,701	6,438
Taiwan	740	444	546	828	575
	% of Total Australian Exports				
Japan	9.64	6.72	7.56	11.19	13.99
Pakistan	0.52	0.40	0.38	00.23	0.68
Philippines	0.06	0.13	0.22	0.28	0.38
China (mainl.)	0.08	0.26	0.35	0.35	0.65
Taiwan	0.08	0.05	0.07	0.11	0.06
	10.38	7.56	8.58	12.16	15.76

Australia has no trade at all with North Korea, Mongolia or Nepal.

Economic Relations Branch

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E/R ← original in 1991/10

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F. 780/1

3/12/65/4
12/65/2

14/2 6th February, 1958

DEPARTMENT OF EXTERNAL AFFAIRS
DUPLICATE
13 FEB 1958
COPY

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Memo No.... 191

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Mr. Sidney Cotton

You may be interested to know that Mr. Sidney Cotton has continued to write to the High Commissioner, despite the High Commissioner's efforts to discourage him from doing so. On the 17th January Mr. Cotton forwarded a copy of his letter of the 17th January addressed to the Prime Minister, Mr. Menzies. You may have seen this letter. The purpose of the letter appears to have been broadly to enlist the Australian Government's assistance to persuade Mr. Macmillan that further efforts should be made to persuade the Sultan of Muscat to agree to arbitration over Buraimi. Mr. Cotton appeared to regard this as the key to the re-establishment of good relations between the United Kingdom and Saudi Arabia.

2. Subsequently, as you again may be aware, Mr. Cotton telegraphed Mr. Menzies on the 30th January pressing for consultation with Mr. Macmillan. At the same time he addressed a letter to Mr. Selwyn Lloyd dated 30th January strongly urging a further effort on the part of the British Government to persuade the Sultan of Muscat to accept arbitration, unless it is not the policy of the British Government to do so. In the course of his covering letter forwarding copies of the telegram to Mr. Menzies and the letter to Mr. Selwyn Lloyd, Mr. Cotton made the following interesting observation:-

> "I am informed by the Arabs that the Russians are preparing a plan to bring about a settlement of the Israeli problem. Our friends among the Arabs point out that if they do, the great majority of the Arabs will finally accept that the Russians are the friends of the Arabs and not the West. They urge that Britain should take the lead and make a statement that she proposes, in consultation with the Arabs, to find a solution to the Israeli problem. That will cut the ground from under any proposals the Russians may make. The Russians proposal could be made in the near future. "

3. In the further letter to the High Commissioner of the 3rd February, Mr. Cotton mentioned that he had also cabled Lord Bruce, to whom he had sent a copy of his letter addressed to Mr. Menzies, dated 17th January. Lord Bruce apparently replied on the 31st January:-

> "Have spoken Prime Minister not unhopeful may act suggestion paragraph 12 of letter".

The letter under reference was his letter of the 17th January to Mr. Menzies. Mr. Cotton also mentioned that he had had several long meetings with Mr. Julian Amery after the latter's return from Muscat. Mr. Cotton alleged that Mr. Amery had agreedtthat the appointment of an Australian representative in Saudi Arabia at this stage would be most helpful. Mr. Cotton also alleged that this was the general opinion in the Foreign Office. Mr. Cotton enclosed with his letter of the 3rd February a copy of a letter to Mr. Selwyn Lloyd of the same date, making a number of suggestions. These included:

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(a) That a senior official should be sent to Muscat to apply further pressure on the Sultan;

(b) That he should be given a letter stating that someone else was going to Muscat with a view to Cotton's showing it to King Saud to show Britain's good faith;

(c) That Julian Amery should make a personal visit to King Saud;

(d) That a cable should be sent to Mr. Macmillan suggesting he put pressure on the Australian Government to appoint an Australian representative to Saudi Arabia.

4. The High Commissioner received a further letter from Mr. Cotton dated 5th February enclosing copies of Mr. Selwyn Lloyd's reply to Mr. Cotton's letter of the 3rd February, Mr. Cotton's further reply to Mr. Selwyn Lloyd in a letter dated 5th February, and a letter from Mr. Beeley of the Foreign Office to Mr. Cotton dated 4th February. Mr. Selwyn Lloyd, while agreeing that it was highly desirable that the friendly relationship between Saudi Arabia and Great Britain should be restored, nevertheless insisted that it was a fact that the Sultan of Muscat did not agree to arbitration and that the United Kingdom Government was unable to persuade him to do so. Mr. Selwyn Lloyd said that he was unable to send another top man to Muscat or to accept the suggestion that Mr. Julian Amery should visit King Saud. He said that he had no objection to Mr. Cotton returning to Riyadh to ascertain whether King Saud had any alternative suggestions for solution of the current stalemate. Mr. Beeley's letter of the 4th February stressed the United Kingdom desire to re-establish the friendly relations it used to have with Saudi Arabia and the United Kingdom's high regard for King Saud. It also referred to the information given to Mr. Cotton both by Mr. Amery and Mr. Beeley that the Sultan of Muscat was not prepared to accept arbitration. The letter continued to point out that this being the case, if progress was to be made towards the desired rapprochement, some other way would have to be found. One way might be a direct meeting between King Saud and the Sultan. Reference was made to the fact that the Sultan would agree to this if the meeting were arranged in a new place and without previous commitment on either side. The letter commented that a meeting of this kind might well resolve the deadlock. As an alternative it was suggested that King Saud might prefer to authorise one of his representatives to meet a representative of the British Government for direct talks. Such a meeting would certainly be acceptable to the United Kingdom provided there was no commitment beforehand and that the objects of the meeting would be to explore the present situation and try to find a mutually acceptable way to restore relations.

5. On the 5th February I discussed the general position in relation to Mr. Cotton with Mr. Beeley, when he showed me his letter to Mr. Cotton dated 4th February and told me of the general contents of the letter of Mr. Selwyn Lloyd to Mr. Cotton dated 4th February. Mr. Beeley said that his letter to Mr. Cotton was given to Mr. Cotton with a view to its being seen by King Saud. It was in fact drafted to a certain extent with Mr. Cotton's co-operation. While Mr. Beeley agreed that Mr. Cotton's motive in all of this correspondence was primarily to build up his own position with King Saud with a view to obtaining oil search concessions, nevertheless he thought Mr. Cotton had some genuine interest in good relations between Saudi Arabia and both the United Kingdom and Australia and to that extent was taking a disinterested view. Mr. Beeley also said that Foreign Office still found Mr. Cotton a useful intermediary, although he was not always

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sound in his assessment of the situation and over-stepped the mark a good deal in his efforts to play one country off against another and in making suggestions as to how the United Kingdom Government should conduct its Foreign policy. Mr. Beeley mentioned that it was undoubtedly true that the United Kingdom was not in a position to ensure the Sultan's acceptance of arbitration. They did not propose to take the matter any further until the Sultan visited London in May, unless of course some new development arose out of Mr. Cotton's approach to King Saud armed with Mr. Beeley's letter of the 4th February. Mr. Cotton was leaving for Beirut on the 5th February hoping to get Audience with King Saud.

O. L. DAVIS

(O. L. Davis)
Senior External Affairs Representative

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COMMONWEALTH OF AUSTRALIA.

TELEPHONE: CANBERRA U 0423.
TELEGRAMS: SECTRADE, CANBERRA.
PLEASE ADDRESS REPLY TO "THE SECRETARY"
AND QUOTE 816/1/38

KK:CW

DEPARTMENT OF TRADE,
CANBERRA, A.C.T.

NJB

File pls

DEPARTMENT OF EXTERNAL AFFAIRS
30 JAN 1958
CANBERRA

29th January, 1958.

780/1 - Please transfer with Memo. referred to

MEMORANDUM to -

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

T.C. KARACHI - VISIT TO PERSIAN GULF
(Your 780/1 of 17th January refers)

Enclosed is a copy of Mr. Scott's report on his visit as requested in your memorandum.

Middle East dev. unit

(E.P. McClintock)
Director of Trade Services.

Middle East to see

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TOUR OF PERSIAN GULF

BY

R. K. SCOTT

7TH OCTOBER, 1957 - 27TH OCTOBER, 1957.

National Archives of Australia NAA: A1838, 780/1 PART 1

TOUR OF PERSIAN GULF BY R. K. SCOTT.

7th OCTOBER, 1957 - 27th OCTOBER, 1957.

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TOUR OF PERSIAN GULF BY R.K.SCOTT - 7th October 1957 - 27th October, 1957.

I. INTRODUCTION.

Bearing in mind the amount of information already available in the Department, and more particularly the report of my predecessor approximately 2 years earlier, and more recently a limited report by a Mr.G.B.Courtney, it is not proposed to make this report complete in itself as a report on the area, but rather to use it to fill in some of the apparent gaps in our knowledge, having special regard to the Department's brief, reference 816/1/38 of 30th September, 1957. However, for purposes of clarity and in the interests of consolidation, a certain amount of repetition will be indulged in where thought necessary.

II. TRANSPORT.

1. Planning the Itinerary by ship transport -

In planning an itinerary for a visit to the Persian Gulf one must necessarily be guided by the objects of one's visit and more especially the time one wants to spend at particular centres. In my case I had been asked to include some of the lesser known and less developed ports, and for this reason I decided to leave Karachi by one of British India "D" ships which maintain a weekly schedule ex Bombay to Karachi and the Gulf ports, the round trip to Bombay occupying 24 days from Bombay and 20 days from Karachi.

2. Ports visited by "D" ships.

While the ports of call vary slightly with every voyage the following are regularly visited. Bombay, Karachi, Pasni, Gwadur, Muscat, Bunder Abbas, Sharjah, Dubai, Umm Said, Bahrein, Bushire, Kuweit, Abadan, Khorramshahr and Basrah. In the case of the DARESSA on which I travelled all of the above ports were visited with the exception of Gwadur, Bunder Abbas, and Bushire. Although I managed to get ashore at all ports, the time available in port is insufficient for businessmen to

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make any worthwhile contacts, except at Bahrein where ships remain for a full day and Basrah where they tie up for 4 days, if desired permitting a visit to Baghdad by a daily viscount air service.

3. Alternative Air Transport - Main trunk service.

The alternate means of travel to the Persian Gulf ports and the one recommended for business men from Australia is by the at present five day a week service by Qantas from Australia to Bahrein.

4. Local Air Services east of Bahrein.

With its base at Bahrein the Gulf Aviation Co.Ltd. operates regular daily services to ports east of Bahrein connecting Bahrein, Doha, Sharjah, Abu Dhabi, and Muscat. A further daily return service is operated to Dhahran. The Gulf Aviation Co.Ltd. is a subsidiary company of B.O.A.C. and operates Dove and Heron aircraft which may be chartered if sufficient notice is given. The present rates are Rs.3 per mile for a Dove and Rs.4/8/- for a Heron, calculated on the round trip distance. Six to eight passengers can be carried by each aircraft.

5. Local Air Services West of Bahrein.

West of Bahrein Iraqi Airways operates a thrice weekly service to Kuwait, Basrah and Baghdad. The service between Bahrein and Basrah is at present operated with Vikings and that between Basrah and Baghdad with Viscounts. Iraqi Airways has a first class safety record while the service is reasonable by standards in this part of the world.

6. Combination of Sea and Air travel.

A combination of air and sea services is of course also possible particularly if it is desired to visit some of the lesser known ports for short periods of time. e.g. Khorramshahr could be visited by ship from Basrah (approx. 2 hours run) where a connection is available by air (Iranian Airways) with Teheran.

III. VISAS.

It is important that visas be obtained for all places in the Gulf which it is intended to visit. United Kingdom passport authorities are authorised to grant visas on behalf of the Gulf States, but generally

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speaking only after a reference to the Political Agent in the area. There appears to be a mistaken idea that a visa is not necessary for Bahrein. In fact it has been necessary to obtain Visas for the past 2 years.

If visiting Bahrein first, visas for the other Sheikhdoms may be obtained from the British Political Residency. However, under other circumstances, applications for visas should be made in ample time to permit a reply being received from the British Political Agent in the area.

Visas are also required for Iraq and Iran. These are freely granted to Australians and businessmen who are not in possession of a visa before leaving Australia can if necessary be helped by the Australian Trade Commissioner in Karachi as both Iraq and Iran have embassies in that city.

At the present time visas are not obtainable to visit Saudi Arabia and there is no indication that this position will change in the near or even distant future. This in effect means that Dhahran cannot be visited.

THE GULF PORTS.

IV. MUSCAT.

1. Status.

Muscat is one of the two main ports for the independent Sovereign Sultanate of Oman and Muscat. It received international recognition through a decision of the Hague Court of Arbitration in 1905 and has been in treaty relations with the U.K. since 1839.

2. Population.

City of Muscat - 4,000

Adjacent City of Muttrah - 12,000

Oman - 550,000 to 850,000.

3. U.K. Representation in area.

Consul-General - Major E.C.L.Chauncy O.B.E.

Vice-Consul - F.C.Hensby Esq.

NOTE: Minister for External Affairs in the Sultanate of Muscat and Oman - Beil McInnis Esq. Mr. McInnis is married to an Australian (nee Stevens formerly of Melbourne).

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4. Oil Company activities.

Almost the whole of the concessions are held by the Iraq Petroleum Co. interests, with an American interest holding small concessions in Dhofar near the Aden protectorate. The I.P.C. recently drilled to 12,000 ft. in what was regarded as very favourable country but without result. The Sultan is said to be pressing for speedy exploitation of the concessions, but at the moment no holes are being drilled. Current political tension in the dispute between the Sultan and the Imam of Oman could well have some bearing on this.

5. Currency.

Indian Rupee.

6. Imports.

Stoves and safety matches - Sweden.
Biscuits and confectionary - Denmark.
Iron and steel pipes and fittings, cosmetics, hurricane lamps, radios, typewriters, glass tumblers, and dyes - Germany.
Ghee substitute, milk and products, radios, soap - Holland.
Safety matches - Czechoslovakia.
Coffee - Indonesia and Malaya, East Africa.
Rice - Far East, Pakistan, India.
Wheat and Flour - Australia.
Sugar - U.K., India, Hongkong, Aden, Holland and Belgium.
Cement - U.K., Pakistan.
Vegetable Ghee - Holland and India.
Pumps - India.
Tea - India and Ceylon.
Canned goods - including meat, fruit juices - U.S.A. (Hunt's peaches and apricots very popular) Australia (Brands noticed - AJC, Imperial, Kraft Cheese, Bendigo Canning Co. Letona), Singapore (Pineapple).

7. Customs Tariff.

Average 15% to 20%
(See copy of Customs Tariff to Follow).

8. Customary conditions of sale and terms of payment.

Irrevocable Letter of Credit.

9. Ports.

The port of Muscat is contained in a very sheltered harbour. There are no jetty facilities, goods being unloaded into barges about ½ mile off shore. This port is used by all regular sea going ships.

The port of Muttrah is about 3 miles from Muscat. Because of a prohibition on camels and donkeys entering the city of Muscat a considerable trade in the country's chief export - dates - is done by

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means of Arab Dhows from Muttrah.

Muttrah has extensive bazaars to cater for Omanis who bring their goods from the hinterland, but who cannot bring their animals to Muscat which city they can enter only on foot or by taxi (4 annas - about 6d Aust.- per person).

10. Importers.

A fairly extensive tour of the bazaars in both Muscat and Muttrah was possible and contacts were made with 3 importers of Australian products. At present the market or number of potential importers is not large.

11. Advertising.

The lay out of the towns with their very narrow bazaars does not lend itself to large poster displays. Exporters would be well advised to consider the smaller counter or shop display cards. These are prominently displayed by stall holders in Bazaars. In an extensive tour of the bazaars, no Australian advertising material was seen, although small display units and cards giving prominence to the goods of English, American, Dutch and German manufacturers were constantly in evidence.

12. Genseral Comments.

Probably trade at the moment does not justify much concentration on Muscat and Oman, but they are worth keeping in mind.

The type of export housex best suited to the present demand is one handling a fairly wide range of foodstuffs - apart of course from flour - i.e. an export house which can handle meats,fruit juices, fruits milk,etc. rather than one specialising in a single product. Merchants seem generally to be bazaar traders as well, and the demand for any single commodity would be so small as not to justify business on either side.

13. Unusual Customs.

The population is predominantly Muslim. The people are friendly and speak Arabic, Baluchi and Urdu. Smoking in the streets is frowned upon. Generally speaking then visitors should not smoke except inside the houses.

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V. THE TRUCIAL COAST.

Dubai, Sharjah and Abu Dhabi.

1. Status.

The Trucial Coast - the area roughly bounded by Muscat in the east and Qatar in the West - consists of seven independent Sheikhdoms, of which only the above mentioned three are at the moment of any commercial importance.

2. Population.

The population of the area is about 80,000 of whom almost half live in Dubai.

3. U.K.Representation.

Political Agent - Mr. P. Tripp.

Note: The Political Agent in the area is responsible to the Political Representative at Bahrein. There is also a Political Officer at Abu Dhabi.

4. Oil Companies.

The Iraq Petroleum Company (I.P.C.) through a subsidiary has been prospecting for oil for some years now without any success. There are reported to have been recent hopeful signs, and the discovery of oil would of course completely change the area.

5. Currency.

Indian Rupee.

6. Imports.

Little is available in the way of reliable figures, but it is worthy of note that Dubai is a thriving centre of entrepot trade. The bazaars are well stocked with the type of merchandise entering into trade between the neighbouring states, Persia, Pakistan and India. There is a large business in what is regarded as the legitimate smuggling of gold to Pakistan and India.

Principal items of import are as follows:

Textiles - Japan and India.
Tea - India.
Rice - Far East.
Cement - Japan, Pak and Continent.
Spices - India.
Pumping sets - India.

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Sugar - U.K., India and Continent.
Vegetable Ghee- India.
Wheat and Flour - Australia.

7. Duty.

Customs duty in Dubai is 4.5% ad valorem with the following exceptions:

(a) Rice in transit 2% ad valorem with Rs.3/12/- per 100 bags as storage charges per month.

(b) Cargo manifested for Bahrein and transshipped on B.I. vessels at Dubai in order to avoid congestion in Bahrein 2% ad valorem.

(c) Cargo destined for Sharjah from Far East 2% ad valorem.

(d) Cargo destined for Sharjah unloaded in Dubai because of bad weather Rs.10 a ton.

Duty in Sharjah Rs.2/8 per 100, and 1 anna per tola on all gold entering Trucial States through Sharjah.

8. Customary conditions of sale and terms of payment.

Irrevocable Letter of Credit.

9. Ports.

Dubai and Sharjah are the two principal ports of the area.

All cargo is loaded and unloaded about 2 miles off shore in and out of barges.

10. Importers.

Considerable difficulty has always been experienced in obtaining replies to letters to firms whose names have been supplied as being reliable. Unfortunately, time did not permit personal contact with many merchants in Dubai. A list of importers is held in the office of the Trade Commissioner in Karachi and endeavours are being made to sort out those importers who can be satisfactorily recommended. Reference to Karachi should always be made before recommending any merchant.

VI. QATAR.

1. Status.

Qatar is an independent Sheikhdom, being outstanding in that it appears to lack any form of vegetation.

2. Population.

The present population is about 30,000, more than half of whom live in Doha.

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3. U.K. Representation.

Political Agent - stationed at Doha - Mr. D.C. Carden.

4. Oil Company Activities.

The Qatar Petroleum Company Limited - a subsidiary of the Iraq Petroleum Company Ltd. is the only producing oil company.

In 1956 the Company exported 5,665,679 long tons of crude oil.

The Shell Company of Qatar Limited holds off shore drilling rights, which were being exploited until about 12 months ago when after drilling unproductive holes at three selected sites, the platform costing approx. £1 million sterling was damaged while being moved to a new drilling site. The platform was considered unsalvageable and a new platform which is not expected to go into operation until 1959 is now being built in England. In the meantime Shell maintains only a nominal staff of 2 Europeans at Qatar.

Purchases for Both Oil Companies are made through their London offices - The Iraq Petroleum Company Limited and The Shell Petroleum Company Limited respectively.

5. Currency.

Indian Rupee.

6. Importers.

Traditionally most imports other than on behalf of the oil companies have been made through Bahrein. However, with growing wealth this position is tending to change and Qatar cannot be neglected as a centre of increasing importance.

7. Duty.

Flat rate 2½% ad valorem on all imports from all sources excepting:

Cigarettes, tobacco	10½% ad valorem		
Gramaphone and records	15% " "		(because the Rule does (not approve of noise.
Wines and spirits.	30% " "		
Beer	15% " "		

Fresh fruits, vegetables, dates, printed books, magazines, newspapers, gold or silver bullion or money, undrilled pearls produced in the Persian Gulf are exempt from duty.

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8. Customary conditions of sale and terms of payment.

Irrevocable Letters of Credit.

9. Ports.

Umm Said is the principal port of Qatar. Umm Said is the port for Doha from which it lies about 25 miles distant.

Loading and unloading of cargoes is carried out by means of barges from vessels anchored about 1½ miles off shore.

10. Importers.

Although contacts have recently been made with some 30 importers the response has been unsatisfactory. This may be partly due to the fact that most importers have been accustommed to dealing with Bahrein from which centre considerable credit has been extended - debts in some cases are said to be 12 months overdue but still considered safe. It may also be due to inexperience in importing direct. A third and not inconsiderable factor is the influence of the Darwish family who through a series of companies are said to purchase practically everything for the ruler and to obtain a commission on most goods which enter Qatar.

VII. BAHREIN.

1. Status.

Though by no means the wealthiest of the Persian Gulf States Bahrein an independent Sheikhdom is undoubtedly the most important of them commercially speaking. How long it will continue to hold this position is a matter of conjecture, for while there are many reasons for its occupying this unique position, there are also many signs that the developing economies of its neighbours plus their growing spirit of nationalism will gradually rob Bahrein of its importance as an entrepot port in the Persian Gulf. The Government of Bahrein is taking steps to consolidate its position and while many believe that these steps have been taken too late, the fact remains that at least for some years to come Bahrein will continue as the leading commercial centre in the Gulf.

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It is worthwhile examining some of the reasons for Bahrein's economic importance.

In the first place it was one of the first countries in the Gulf where oil was discovered - as far back as 1932. Although many of its neighbours have now eclipsed it as oil producers, it has become important as a refining centre for oil produced at nearby fields in Saudi Arabia, about 80% of the total oil refined coming from this source.

It is the centre for British Political representation in the area. The head offices of many of the old established British merchants who operate throughout the Gulf are located at Bahrein. The island is strategically well situated for entrepot trade. All these things have combined to give Bahrein a lead over its neighbours.

Several forces are operating to rob Bahrein of this lead. The most powerful of these is the growing spirit of nationalism in neighbouring sheikhdoms backed up by a wealth through oil. Added to this has been resentment of the two per cent "ad valorem" transit duty on all goods entering Bahrein but destined for other countries. Trade with Saudi Arabia has declined due to fluctuations in the value of the rial. One leading banker in Bahrein informed me that while there was no official rate, the unofficial rate had dropped to as low as half its value twelve months ago, recovering recently to about two thirds.

The Government of Bahrein in an effort to correct the drift recently announced the abolition of the 2 per cent "ad valorem" customs levy on transit goods as from 1st January 1958. Mr.G.H.Reid, the Director of Customs who accompanied me on an inspection of the port facilities explained that although the decision to do this was made two months ago, it was considered that the increase in traffic would be such that it could not be implemented until six new sheds for transit goods had been built. Four of these are completed while the other two are expected to be completed within a month.

2. Population.

The population of Bahrain is approximately 120,900, of whom about 2,000 are of European origin, and another 16,000 of Indian, Pakistani and Persian origin.

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3. U.K. Representation.

Political Resident for the Persian Gulf Area:

Sir Bernard Burrows.

Political Agent for Bahrain:

Mr. C.A.Gault.

Commercial Section at the Residency:

1st Secretary - Mr. M. Gale (on leave)

2nd Secretary - Mr. F.W.J.Cooper.

Upon arrival in Bahrain I called on Sir Bernard Burrows and discussed with him various aspects of the development of the Persian Gulf both past and projected. Later in the week I dined at the Residency.

Sir Bernard who has occupied his present position for about four years sees changes taking place in the area, generally through the growth of nationalism and particularly in the fact that Saudi Arabia is no longer content to see Bahrain as its chief source of supply for foreign goods. He thought there could be substantial changes if oil were located in the region of Sharjah, Dubai and Muscat, which he said seemed not unlikely.

Regarding this latter opinion of Sir Bernard Burrows, the view was more than once expressed to me by responsible businessmen that oil had already been located at Burami, the sovereignity over which was generally regarded as belonging to the Sheikh of Dubai, but this was disputed by Saudi Arabia, Muscat, Sharjah and Abu Dhabi. Until this dispute was settled nothing could be done to exploit the concession granted by Dubai. This opinion may of course be merely oil speculation.

Sir Bernard Burrows supported the appointment of an Australian Trade Representative in the Persian Gulf but did not think it would be possible to find a suitable independent man for appointment as a Trade Correspondent.

4. Oil Company Activities.

The Oil Concession is in the hands of the Bahrein Petroleum Company (BAPCO) a member of the Caltex group. In 1956 the Company produced 1,466,100 long tons of crude oil. Current production

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of crude oil is said to be at the rate of approx. 120,000 tons per month. However, by far the largest side of the company's activities is the refining of the crude oil, 80% of which comes by pipeline from Saudi Arabia. Exports of refined products from Bahrein average approx. 800,000 tons per month/ See Annexure 1/.

I canlled on Mr. C. Lipp vice-president in charge of the Company's activities. Mr. Lipp who was in Australia for nearly two years associated with the building of the Caltex refinery in Sydney, is very "pro" Australia and Australians. Later I visited the company's headquarters at AWALI a distance of approximately 12 miles from MANAMA, the main business centre of Bahrein. Here I discussed the Company's activities and particularly their purchasing policy with Mr.W.Schmidt, General Manager of B A P C O.

While Mr.Schmidt had little if anything to add to what we already know, he affirmed that the company's overseas purchasing was carried out by Caltex Services Ltd. in London, which in turn places orders on Caltex in Australia for its Australian requirements. He spoke highly of the quality of Australian fresh fruit and vegetables, and generally speaking of the meat, although, he said beef was not always so consistent in quality as cuts obtainable in the U.S.A. I did not sense any serious complaint here.

Mr.Schmidt stated that it was the policy of the Company to buy such things locally as were in general supply.

5. Currency.

Indian Rupee.

6. Imports.

As with almost all Asian and Middle Eastern Countries the amount of statistical information available is meagre. However, the figures contained in Annexures II to V, supplied by courtesy of the British Political Residency in Bahrein will give a fairly good picture of the pattern of trade. Annexure IV is worthy of special note in that it gives some perspective to Bahrain's importance as a re-exporter.

Several visits to the bazaars established:

(a) That almost every luxury or necessity is available in Bahrein.

(b) That apart from canned and frozen foods it is difficult to find any Australian goods in the shop or bazaars.

(c)

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(c) That except in the case of milk products U.S.A. canned goods predominate over all others - Monarch, Hunts, Libbys and Del Monte, being the most popular brands.

(d) That Holland predominates as the principal supplier of canned milk products.

(e) That in the hardware, appliances, electrical and textile fields, the U.K., Germany and Japan were the principal suppliers.

The bazaars also provide evidence of the difficulty of finding adequate representation in Bahrein. Many of the merchants with exclusive agencies, did nothing to merchandise their principal's products to retailers, but were content to sell only through their own retail outlet. There are of course some notable exceptions to this - especially the two big and old established English houses, Gray Mackenzie Ltd. and African and Eastern Ltd. - but the more active of them will not accept competitive agencies, which still further restricts the choice of good agents.

It was at this point that I became convinced that Australian manufacturers must undertake active selling campaigns in this area - not only in Bahrein but in all the main centres of the Gulf, before all the most active agents are representing suppliers from other countries, and what is more important before the brands of other countries become too well established in a market which is very brand conscious and conservative to changes.

7. Customs regulations and duties.

Together with this report a copy of the Bahrein Customs Ordinance (1950) is forwarded. Certain amendments are in process of being drafted to give effect to the decision to abolish the 2% duty on transit goods. In other respects the ordinance is current.

In summary, the rates of duty are 5% " ad valorem" on all foodstuffs and necessities, 10% on non-essentials, and 15% on tobacco and liquor.

8. Customary conditions of sale and terms of payment.

Irrevocable Letter of Credit. Australian exporters would be unwise to depart from these conditions until confidence has been

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established except in the case of the larger houses who however, are unlikely to seek to do business on other terms.

9. Ports and port facilities.

I made a tour of the port facilities with Mr.G.H.Reid, the Director of Customs and inspected plans for the improvement of port facilities, and the creation of a new deepwater pier at Jufair. These are expected to be finished in 2½ to 3 years.

The new pier is to be constructed to take up to 6 ships of 27 ft. draft at low water. One of these berths will be reserved for the navy; the other five will be available for general cargo ships. A meter guage railway will be constructed to connect the new pier with the present customs sheds which are in process of being enlarged. As is now happening, Dhows engaged in the entrepot trade will use the waters adjacent to the customs sheds.

It is not expected that the new plan will do away entirely with the present system of loading and unloading cargoes from barges 2 to 3 miles out to sea, but it should substantially contribute to the smoother running of the port.

10. Importers.

As already mentioned under VI-6, above it is not easy to find satisfactory agents, but as the result of this tour and the following up being done by the Karachi office of the A.G.T.C. recommendations can be made to Australian exporters who may wish to test their products on the market.

At this stage it is perhaps pertinent to make one observation - and this applies to the whole of the market in the Persian Gulf - that all wholesalers and retailers contacted expressed a desire to deal direct. In the case of the larger wholesalers, only exclusive agencies would be entertained. However, Australian exporters would be well advised to enquire carefully about the activities of any firm seeking an exclusive agency for reasons already mentioned.

It is perhaps also desirable to point out that the market for some products is definite but limited. For example the U.S.A."MONARCH" branch of canned goods which is to be seen in practically every bazaar in the

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Gulf comes in a wide variety of products and sizes - fruits, juices, sauces, vegetables, meats, jams, condiments, a variety of delicacies, pastes, etc. It is fairly certain that if Monarch canned only one or two of these items its success would not have been so spectacular.

The Monarch product is said to be of a high standard and Monarch does not grant exclusive agencies. When one considers that the Monarch company offers the advantages of direct dealing over a very wide variety of products of a like nature, it is not hard to see why this company has been so successful.

The implications for Australia would seem to be that in provision lines, only manufacturers who can offer an extensive range should be encouraged to incur the expense of a Sales drive in the Gulf. Alternatively, provision manufacturers who are not already exporting to the Gulf might be excouraged to form an export group.

All the advantages of having a uniform brand and presentation would not be available unless individual members of the group agreed to manufacture their products under the one export brand, a state of affairs which probably could not be achieved. However, if one or two export groups could be formed to handle a wide range of foodstuffs, an undoubted economy in marketing with increased sales would im surely be the result.

11. Advertising.

The whole subject of advertising in the Persian Gulf is being dealt with later in this report. So far as Bahrein in particular is concerned, there is no local daily English newspaper although some Arabic papers published in Basra and the Lebanon have a limited circulation..

VIII. KUWAIT.

1. Status.

Kuwait is an independent Sheikhdom and certainly for its size is the richest oil producing area in the world. The present Sheikh is said to devote about 60% of the state's oil revenue to development. Kuwait has all the appearances and atmosphere of a boom town. It is in process of being laid out on modern lines of town planning and its wide main trunk roads carry an almost endless stream of modern American cars. Particular attention has been

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paid to the construction of modern schools and hospitals and health and education are free.

2. Population.

The population of Kuweit is about 220,000 of whom about 1000 are of European origin. One is immediately struck by the large number of Lebanese and Palestinian Arabs in the commercial world, and one senses a much closer contact with countries immediately to the west - Lebanon, Jordan and Iraq - than exists further east in the Gulf.

3. U.K.Representation.

Political Agent - Mr. A.K.Rothnie (acting).

Economic Counsellor - Mr. N.W.P.Reilly.

Mr.Rothnie was not available on the only full day I had in Kuwait but I called on Mr. N.W.P.Reilly. I spoke to Mr. Reilly about the possibility of a small trade mission of 6 to 8 people visiting the Gulf early next year. Mr. Reilly thought it might be possible to arrange their accommodation at the State Guest House provided adequate notice were given. He also offered to arrange a tea party to which they would invite leading merchants who would be helpful for later individual discussions.

4. Oil Companies.

The Kuwait Oil Company Limited is exporting crude oil at the rate of more than 60 million tons a year.

I called on Mr. A.W.G.Smith, local purchasing officer for the Kuwait Oil Co. Mr. Smith stated that it was the policy of the Company to purchase everything locally which was in normal supply. He showed me his latest list of requirements which included such items as brooms, buckets, canteen crockery, tyres,etc. It was not the policy of the company to encourage merchants to stock items required exclusively by the oil company as this could lead to overstocking and pressure by merchants to take items which they had specially acquired for the company. However, if items were in general supply the Company would purchase them locally even if it meant paying a higher price. Immediately outside the local purchasing officer's office is a board upon which is posted the Company's local requirements. Merchants interested in supplying inspect this board daily and submit their samples and prices to the local purchasing officer.

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I next interviewed Mr. R.I.Anderson a Public Relations Officer of the Oil Company. Mr. Anderson showed evidence of a training to give a good impression of the Oil Company while saying the minimum. He stated that no changes had occurred in the Oil Company's purchasing policy which remained one of buying locally items normally stocked by the market and purchasing abroad through its overseas purchasing offices, items specially demanded.

5. Currency.

Indian Rupee.

6. Imports.

Kuwait is a country almost entirely sustained by imports. Being practically devoid of all vegetation because of lack of water it has no agriculture or pastoral activities, fresh fruit and vegetables being brought by air or overland from the Lebanonsand meat (on the hoof) mostly from Iraq.

The growth and importance of the Kuwait market is shown by the following figures:

	Imports £stg.	Approx. Crude Oil Production - Tons.
1952	£ 15 million	37 million
1953	£ 30.8 "	42.6 "
1954	£ 29.8 "	43 "
1955	£ 35 "	44 "
1956	£ 41 "	46 "

The bazaars and shops are crammed with every type of luxury and necessity goods. Because of low customs duties luxury items are relatively cheap. Foodstuffs on the other hand are extremely expensive. Fresh vegetables brought in from the Lebanon average about 3/-d (Aust.) per lb. regardless of type.

There are a few stores catering for customers requiring imported frozen meat cuts, and this business appears to be on the increase. The chief limiting factor is the lack of adequate bulk cold stores and refrigerated barges. However, it is understood that the cold storage capacity is being increased.

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Australian frozen meat cuts were on sale, but packaged frozen vegetables appeared mainly to be of English origin.

Apart from foodstuffs, the pattern of imports both in terms of countries of origin and items imported appears to follow that of Bahrein. The only import figures available are some published by the customs house in Arabic, but these are not considered to be very reliable. The British commercial representation in Kuwait endeavours to reconcile these figures with their own U.K. export figures, but finds this very difficult.

As in other parts of the Gulf U.S.A. canned goods predominate, the most seen brands again being Monarch, Hunts and Del Monte.

7. Customs tariff.

Import duty is at an overall rate of 4% ad valorem except for imports by the oil companies which are free.

8. Customary conditions of sale and terms of payment.

Irrevocable Letter of Credit although sight drafts are fairly common.

9. Ports.

As is customary in most of the Gulf ports, goods are unloaded into barges 2 to 3 miles off shore.

At present there is a fair amount of congestion with a priority limit for ships having a cargo of 500 tons or less to discharge. Ships with more than 500 tons are incurring delays of up to 16 days.

The Oil Company has its own port at Mena-al-Ahmadi capable of berthing 7 ships.

10. Importers.

While an extensive list of importers is held in the Karachi office, time did not permit me to contact more than 5 or 6 merchants. While Australian canned goods were to be seen in many shops, the range was not extensive, and they were eclipsed by the greater volume and variety from other countries especially the U.S.A. This did not apply in the "Kuwait Supermarket" as far as frozen meats were concerned. Here about a ton of Australian cuts of pork, beef and lamb were available in an attractively laid out shop of the type of a modern Australian delicatessan.

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I asked all importers whom I contacted - not only in Kuwait but throughout the Gulf - why they did not stock more Australian goods and the typical reply was "we do not get offers. Give us more offers and we will consider them".

I found it difficult to get wholesale prices, most people being reticent about what they were paying..

11. Advertising.

There was more evidence of advertising by the use of street hoardings in Kuwait than I saw elsewhere except perhaps in Basra. However, the chief promotional method was the display card in the shop or stall itself.

Although Kuwait has no newspapers of its own, there is a greater circulation here of the papers of neighbouring countries than in the ports lower down the Gulf. As an example of the type of newspaper advertising 4 copies of newspapers in Arabic and a copy of the only local newspaper in English circulating in Iraq and Kuwait are forwarded. Although these newspapers were purchased in Basra, they are all said to be widely read in Kuwait.

12. General Comments.

As an index of the increasing prosperity of Kuwait the average level of unskilled wages has risen in seven years from Rs.3 per day to Rs.9 per day. A further indication of the country's prosperity is the fact that there are 25,000 motor cars in Kuwait for a population of 220,000 (c.f. Pakistan 100,000 cars for a population of 80,000,000).

Social services are increasing and although it has been said that appreciable purchasing power is still confined to 10% of the population, standards of living generally are rising.

A plan to give all children at least one free meal per day through the Kuwait Central Kitchen has been temporarily suspended allegedly through some disagreement amongst members of the Sheikhs family. However, the Kuwait central kitchens have substantial cold storage capacity and could be a good customer for Australia if the scheme progresses.

The not inconsiderable influx of Arab peoples from the mediterranean with tastes educated to European foods is a big factor in increasing the arab demand for foodstuffs which Australia can supply.

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VIII. BASRAH.

1. Status.

Basrah is the port of Iraq and is linked with the capital Baghdad by rail. In itself it is one of the principal date producing areas of Iraq.

2. Population.

The present population is about 250,000.

3. U.K.Representation in the area.

The United Kingdom is represented by a Consul General upon whom I made a courtesy call.

4. Oil Companies.

The Basrah Petroleum Co.Ltd. operates concessions for those parts of southern Iraq not covered by the Iraq Petroleum Co. Ltd.

Time did not permit on my calling on the oil company but conversation with Mr.E.R.G.Parish, Manager in Iraq of Gray Mackenzie Ltd. confirmed that there was no change in oil company buying policy either for the Basrah Petroleum Co.Ltd. or the Iraq Petroleum Co.Ltd.

The growth of Iraq's wealth from oil is illustrated by the following comparisons:

Crude oil production in long tons:

1953:	27,740,574
1954:	30,140,898
1955:	32,187,906

5. Currency.

1 Iraqi Dinar = £1 Sterling.

6. Imports.

I saw more Australian canned goods on sale in Basrah than in any other part of the Persian Gulf. It is perhaps worthwhile listing the names of Australian exporters shown on the manifest of the "CHANDPARA" which two days before my arrival had finished discharging cargo from Australia.

H.C. Sleigh -Milk and other canned goods.
H.J.Heinz -Canned peas for oil companies.
A.J.C. -3200 cases of jams.
W.A.Angliss -Canned meats.
Tom Piper -Canned meats.
Collan & Co.-Brussels sprouts
J.C.Thompson-Apricots,pears and peaches.
Swifts -Canned meats,etc.
Kraft -Canned cheese.
W.A.Angliss -Frozen meat cuts.

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I spent a morning in the bazaar visiting importers of Australian canned goods and received some interesting reactions. A.J.C. jams were favoured because they did not have the dry consistency of English jams. Australian frozen meat cuts were only popular with the section of the European population as Iraq itself is a meat producer. However, with growing prosperity canned goods in general were becoming more in demand by the Iraqi population.

In Spinneys, an English Company which runs a provision store with refrigerated storage I saw a substantial stock of Edgells canned peas which I was informed were in good demand because of their quality despite their higher price. As against this, I was informed by the mercantile manager Mr. Birjoni of Gray Mackenzie Ltd. that this was contrary to his experience and that Edgells prices were considerably higher than those ruling in the market.

The following comparison of average prices which has been supplied to Edgells by Gray Mackenzie Ltd. is set down for information:

Item.	Average market prices.	Prices quoted by Edgells.
Garden peas per doz. 16 oz. cans.	24/9d	27/3d.
Beetroot " " " " "	17/3d.	21/4d.
Cream of Chicken soup" " "	22/6d.	1/11/3d.
Jams per doz. 24 oz. cans.	29/9d.	1/15/3d.

Mr. Birjoni informed me that a considerable quantity of canned goods is now entering the market ex Hongkong, ex Red China at something near to half Australian prices. Regarding soups he said that Edgells prices were generally speaking twice as expensive as those quoted by Baxters of Scotland.

An anamolous situation which Mr. Birjoni commented upon and one which may be worth further investigation is that it indicates that Government subsidies in Argentina are operating against the Australian exporter of corned beef, is seen in the prices quoted by Swifts for corned beef ex Argentina and ex Australia. Exeter corned beef per case of 48 12 oz. cans is quoted by the Argentina Company at 91/8d and by the Australian company at 116/8d.

The usual U.S.A. brands were also in evidence in this market. I was anxious to obtain comparative prices but apart from general statements could not obtain lists which would enable comparisons to be made in any detail.

An enquiry was received from Messrs. Gray Mackenzie & Co. Ltd. as to whether Australia was in a position to supply steel as follows:-

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Reinforcing bars, joists. Note R.S.J. are not to B.S.S. but in the following sizes:

4 x 3 x 8 lbs per foot.
5 x 3 x 9 lbs per foot.
6 x 3 x10 lbs per foot.

Gray Mackenzie were also interested in the supply of M/S plates of which the usual size is 8'x 4' with sometimes upto 20' x 4' for dockyard only. The usual size for angles in which they are also interested is 2½ x 2½ x ¼" sometimes thinner.

7. Customs Tariff.

I was informed that there has been no recent changes of any note in the Iraqi Customs Tariff law which is protective rather than purely revenue producing with the idea of encouraging home production. Over the past 12 months there has been a tightening in import licensing which previously had tended to be almost free for the sterling area. It is expected that this position will improve now that Iraq's oil production is approaching the normal achieved prior to the loss of its pipe lines through Syria during the Suez crisis. Import licensing is on a rather arbitrary basis, each order placed by merchants on overseas suppliers being subject to approval and usually subject to some arbitrary discount in quantity by the Iraqi authorities.

8. Customary conditions of sale and terms of payment.

Irrevocable Letters of Credit are customary at least in initial stages although there is a fair amount of sight draft business upto 90 days.

9. Ports.

The Basrah port is situated on the Shatt-al-Arab river and generally speaking the facilities seem adequate to cater for traffic at all normal times.

10. Importers.

Apart from the three major importers of U.K. origin, Gray Mackenzie & Co.Ltd., Spinneys Ltd. and African and Eastern Ltd., it is difficult to find merchants in Basrah who can be expected to give wide distribution to Australian products. However, it is important to find Iraqi nationals and several bazaar traders were contacted. Follow up is being made from the Karachi office to establish their bona fides and recommendations can be made from the Karachi Office for Australian exporters requiring representation

I discussed conditions in general with Mr. I MacLaren, Manager

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of the Ottoman Bank Ltd. Mnd Mr. A. Alexander, Manager of the British Bank of the Middle East Ltd. Both agreed that Basrah and Iraq in general should present an expanding market for Australian goods.

11. Advertising.

Basrah presents more scope to Australian exporters wishing to advertise their products in that it has four widely read papers in Arabic and one English paper, the Iraq Times (see note 11 Advertising under Kuweit). There are also more street hoardings in Basrah than are generally seen throughout the Gulf. I enquired if there were any advertising agency in Basrah who might undertake publicity on behalf of Australian exporters but was informed that there were not. Mr. Parish of Gray Mackenzie & Co.Ltd. offered to assist in helping Australian exporters with publicity but this, of course, would obviously be unsatisfactory as Gray Mackenzie could well be representing competitive interests. Although block makers are available in Basrah it would appear at this stage that it might be better for exporters to have blocks prepared in Australia provided there is a satisfactory agency for preparing the Arabic scrip.

X. KHORRAMSHAHR AND IRANIAN PORTS.

1. Khorramshahr.

Khorramshahr is the chief commercial port for Iran. In fact it is the only port of any importance bedides Abadan and Bunder Shahpur, the former being the port for the oil refinery and the latter almost entirely an oil port.

Khorramshahr can at present berth six ships and extensions are being carried out to provide for the berthing of another two ships. Even on completion of these extensions it will still be necessary to use barges to a considerable extent for loading and unloading. However the real bottlenecks in this part are the inadequate rail facilities, and marshalling yards but more especially the shortage of wagons.

There is a priority limit of 500 tons and ships having a greater amount of cargo to discharge than this figure are at the moment kept waiting for a period of up to 16 days before they can commence discharging. The Captain of the B.I. vessel upon which I was travelling informed me that one Swedish ship in the stream with a cargo of 9000 tons had been unloading it for at least two mo

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it for at least two months.

2. OTHER IRANIAN PORTS.

I spoke to Mr. I.A.Malcolm, Manager of Gray Mackenzie Ltd. at Khorramshahr concerning the Iranian ports generally. Mr. Malcolm has lived in Iran for almost four years and has travelled extensively in the country. He confirmed that Khorramshahr was ~~xx~~ the only port of any commercial importance in Iran and that it was likely to remain so for sometime to come as there was no railway in Iran east of this point. The railway from Teheran running roughly north and south forked to terminate at Khorramshahr and Bunder Shahpur.

He pointed out that Iran along the Persian Gulf east of Khorramshahr was a very undeveloped country, the ports of Lingeh, Bushire and Bunder Abbas were only of importance in serving the small population in the relatively wild country surrounding these ports. The Iranian coast is very rugged along the Gulf and with no transport facilities to the hinterland other than very poor roads traversing mountainous country there was little hope of their development.

Bunder Abbas was said to be a ghost town of 5000 inhabitants where 50,000 once lived. I was informed that oil had recently been discovered north of Lingeh and if this turns out to be in commercial quantities there could be some pressure to develop the port in this area. However, such developments appear to be many years distant.

3. PLANNED DEVELOPMENT IN TRANSPORT AND COMMUNICATIONS IN IRAN.

At the last meeting of the Baghdad Pact Powers in Karachi some prominence was given in the press to the intention to improve communications between Pakistan and Baghdad. It was reported that as well as improving telecommunications, surveys would be shortly commenced for a new road and rail which would traverse the southern part of Iran between Pakistan and Baghdad. The completion of such a scheme could have an important bearing on the development of the Iranian ports east of Khorramshahr but this development would appear to be several years off.

X. ADVERTISING.

1. Advertising is on restricted scale.
Generally speaking one is struck by the fact that in the present
The

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stage of the development of the Persian Gulf States one sees and hears less advertising than one would expect in an area of such wealth where practically everything can be bought. There are a few obvious reasons for this. In the first place particularly along the Arabian coast line there is a tendency to regard the depiction of human or animal life as being against the predominating religion. This feeling is not so strong in some of the independent Sheikhdoms as it is in Saudi Arabia and in fact in other than Saudi Arabia it is probably dying out. However there is some respect for the tradition which restricts designers of posters. In the second place there is no commercial radio in the area although at Dhaharan there is now an American commercial television station which is quite well received in Bahrein.

For the religious reason mentioned above commercial calendars are not a popular form of give away although it was pointed out to me in Kuweit that this year for the first time calendars which were locally printed and depicted a photograph of the ruling Sheikh were available.

2. THE MOST WIDELY USED MEDIA.

Then again there are no regular newspapers produced in any parts of the Gulf excepting in Iraq where three daily papers in Arabic are widely read certainly as far as Kuweit and to a lesser extent as far as Bahrein. A fourth daily paper printed in the Lebanon also circulates in Basrah and Kuweit. The only English paper circulating in the area is the Iraq times which is printed in Baghdad and which has a special Basrah and Kuweit edition. Samples of these five papers are forwarded herewith and it will be seen that they carry extensive advertising. At least in Basrah there appears to be no advertising agent who could be consulted concerning the preparation of copy but this would almost certainly not be the case in Baghdad.

The most frequently seen advertising signs are small displays outside Bazaars and shop doors such as for instance the familiar Coca-Cola and Pepsi-Cola signs. The bulk of the advertising takes the form of display cards within the stores themselves and the best of these are undoubtedly those which linked with the goods being sold both in colour and in indicating the product. As a general rule bright colours are preferable to more subdued ones. To give an example, Edgells labels were quoted to me as being dull and uninteresting and not calculated to attract buyers.

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Bahrein, Kuweit and Basrah all have local cinemas where the slide or a short advertising film can be used. Because of the cost of production of the latter, business in the area would have to be of potential volume to justify a worthwhile production dubbed in Arabic.

Little use is made of neon signs possibly because of the narrow streets and in some cases of the winding nature of the bazaar areas and possibly also because buildings generally speaking are not higher than 2 or 3 stories. However there appears to be an increasing use of the illuminated sign especially in Kuweit.

It is not thought that the pressent time is appropriate to introduce the portable display board used in London unless this was undertaken as part of a co-ordinated effort by the Government and exporters to push Australian products in the area.

3. TRADE SHIP.

It is not thought that a trade ship or a project using one or more of the holds of the B.I. "C" class ships would be worthwhile if only for the reason that at practically all ports, ships anchor upto 4 miles from the shore which to have a worthwhile number of people to see the display at each port would probably necessitate the use of more launch transport than is available.

4. CONCLUSIONS.

To sum up I am of the opinion that there is scope for the development of advertising in the Persian Gulf area but that the limits are the lack of advertising agents to develop the various media.

If the advertising is examined in any of the newspapers forwarded herewith it will be seen that generally speaking it is the Companies with world known names and brands and therefore with adequate advertising departments of their own, which are featured. This same trend is in evidence in such street advertising as one sees and one is left with the impression that advertising representatives of these companies have visited the area and adapted their campaigns as the result of this experience.

I should say that for the time being Australian exporters should concentrate their efforts on display cards. I would also recommend that if a Trade Mission is sent to the area a practical advertising man should be on of its members.

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XI. AUSTRALIAN OFFICIAL REPRESENTATION.

1. Appointment of Trade Correspondent.

After discussions with British Political and Commercial Representatives and with bankers and heads of business houses I am convinced that it would be difficult if not impossible to find a personsuitable for appointment as a Trade Correspondent. Apart from local merchants there appears to be no one in any part of the Gulf carrying on an independent business which would enable him to accept such an appointment. Because of the unpleasantness of the climate people of European origin do not seem to retire in the Persian Gulf and there do not appear to be any businesses of/tertiary nature such as Chartered Accountants. The only one business of this kind was a firm of lawyers in Bahrein but excepting in special circumstances I would not consider a practising lawyer as suitable for such an appointment.

2. Appointment of Trade or Assistant Trade Commissioner.

Apart altogether from the above, I believe that now is the time for Australia to appoint either a Trade Commissioner or an Assistant Trade Commissioner in the Persian Gulf.

In the first place there is a tremendous potential which is growing and the area is being given a great deal of the attention by practically all countries although so far as I am aware apart from the U.K. only India, Pakistan and Saudi Arabia have any commercial representative in the Gulf. The Japanese recently sent a Trade Delegation through the area and in one way or another I feel that most countries are officially and unofficially giving the Gulf far more attention than is Australia.

Elsewhere in this report I have stressed the difficulties in finding good local agents. Let me give one example. In Mr. Courtney's report he listed several hundred importers whose names had been given to him by leading banks. All of these importers who were not known to us were contacted but considerably less than half of these have even bothered to reply while in many cases the replies received have indicated that they represent competitive houses or that they are exclusive houses e.g. General Motors dealers, Ford dealers, etc. and as such are restricted from taking up another franchise. This sort of thing highlights the need for an the spot Australian representation as the Persian Gulf area is a long way from Karachi with which it has not the

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natural trade ties that it has with India. Additionally it would be very difficult for the Trade Commissioner in Karachi to make more than one visit a year to the Persian Gulf situated as he is with no other Australian based staff to help him. One visit each year is certainly not sufficient representation for Australia in this part of the world.

Accordingly I would recommend that consideration be given to the appointment of a Trade Commissioner or Assistant Trade Commissioner in the Persian Gulf area at an early date.

3. Location of Trade Representative.

I would recommend that his location should be at Basrah rather than Bahrein. I make this recommendation on location for the following reasons:-

1. As Iran lays claim to sovereignity over Bahrein there would be some difficulties in a Trade Commissioner based at Bahrein visiting Iran. At least a second passport would be required.
2. There is a growing jealousy amongst the Sheikhdoms of Bahrein's importance as an entrepot port and for this reason I would think that if possible it would be preferable not to base an Australian representative in Bahrein or for that matter in any of the other Sheikhdoms, in the Gulf.
3. Basrah is close to Baghdad and also to Teheran and it is linked to these two cities by daily air services and to all the Gulf ports by at least thrice weekly air services.
4. Although Iraq lays some claim to Kuwait there does not appear to be any political tension between the two countries or for that matter between Iraq and any of its neighbouring countries or Sheikhdoms.
5. The climate of Basrah is much less trying than that of Bahrein.
6. Regarding office space and living accommodation this will be difficult to obtain regardless of location. The expanding economies of all parts of the Gulf have in themselves created shortages of buildings which would be suitable for either office or housing accommodation but I believe that this could be overcome especially once it were decided in principle to make an

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appointment and an active canvas for accommodation could be made.

XIII. TRADE MISSION.

I believe that a trade mission to the Persian Gulf states would be of great benefit to Australia provided it were of suitable composition. It is the composition of such a mission which would present the greatest difficulties. Industries which may be interested are at least the following:

FOODSTUFFS.

Flour
Canned provisions
Frozen meat.
Frozen vegetables.

OTHER.

Steel windows (a very high proportion of modern buildings are constructed with steel window frames).
Building materials & (Our freight differentials and generally higher costs are limiting factors here).
Builders Hardware.
General Exporters (e.g. Heine Bros., Gollans, H.C. Sleigh etc.)

In Section VIII 6 of this report I listed some of the exporters whose names appeared on one of the "C" ships manifest. This gives some indication that the area is already receiving the attention of many Australian exporters. However, what I feel is that not enough personal attention is being given to the Gulf, and that initially, the department should highlight the necessity for more personal visits.

The Gulf presents some opportunity for sale of almost every type of manufactured article. To a limited extent there is a demand for all kinds of men's and women's clothing. However, here the competition of Japan and India in, for example, cheap clothes, underwear, shoes, etc. must be taken into account in assessing Australia's ability to cater for the needs of the indigenous population.

One must be careful not to overestimate the demand for higher quality textiles and fashion goods, from the American and European sections of the population. Most women leave the area either once in two years or once each year and replenish their stocks in their own countries. The same applies to men. In addition their are abundant "DHARSI" (tailors and dressmakers) who make cheaply from photographs or other depictions of models.

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Despite all this one leading English manufacturer(HORROCKS) of ready made frocks has models available on the market from Rs.30 to Rs.300 (about £2-15/- Aust to £ 28). each.

Discussions with a cross section of European women (there are approx 5000 europeans of both sexes in the area) indicated that in the matter of frocks some brought from their own country, some made their own, while others used the local dressmakers. None admitted to buying ready made outer clothing in the area.

I use the example of frocks, firstly, because you asked for my opinion as to the possibility of marketing Australian fashion goods in the area and secondly because they illustrate a problem of selling or recommending the composition of a small trade mission - there is a/demand for almost everything, and a big demand for a few things.

One could almost say that the type of selling required in the Gulf is that which was carried out by the old type of commercial traveller representing a warehouse with a wide variety of articles to sell. Likewise, I feel that most members of an Australian Trade Mission to the area should be representative of groups of foodstuffs manufacturers; perhaps clothing and softgoods manufacturers, plus an advertising man and perhaps a representative of a group of building materials and builders hardware manufacturers.

I feel that a real attack on the Gulf trade is a job for co-operation in industry to send the best possible men to represent an indust or alternatively a pooling of export sales efforts by a group of complimentary manufacturers to give individual members of a trade mission a wider range to cover Suggested arrangements for a Trade Mission will be covered in a separate memo.

XIV. GENERAL.

1. Lists of Importers.

I have deliberately not attempted in this report to list the names of importers of various commodities. Such listings might make this report look more impressive but they could be misleading in that one of my strong impressions is that while it is very easy to obtain lists of importers whose financial dealings are considered satisfactory, it is very difficult to find among the Arab merchants, importers who will give the wide coverage

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required. A lot of work has been and is being done by the Karachi office to widen our lists of importers, and application to the Trade Commissioner Karachi should produce satisfactory recommendations.

2. Austral News.

The distribution list for Austral News is being constantly widened, and as the result of this visit more names have been added. The new revised list will be forwarded when time permits its being typed for roneoing.

One thing I did find was that many recipients of Austral News wondered why a paper with a Karachi date line should be sent to them. This is rather natural when one considers the few trade ties between Karachi and the Gulf area.

Accordingly, I would recommend that the date line should be immediately amended to read "Karachi and the Middle East". Perhaps, consideration might even be given to deleting the reference to the Australian Political representative, to reduce the emphasis that this is a Karachi edition.

3. Conclusion.

In conclusion I would like to quote the advice of one banker who has been in the Persian Gulf area for 8 years. He said it was his firm impression that in dealing with the Arab traders, it was necessary to quote the lowest price for the highest quality. If differential prices were quoted for like articles, he would take the lowest quoted but still sell at the price he would have charged for the higher quoted article.

In the light of this advice Australian exporters could well adopt the slogan "One quality the best, one price the lowest".

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ANNEX I

OIL PRODUCTION BAHRAIN - 1956

	TONS		TONS
JANUARY	132,118	JULY	123,909
FEBRUARY	112,927	AUGUST	121,742
MARCH	124,265	SEPTEMBER	120,003
APRIL	117,284	OCTOBER	132,059
MAY	132,756	NOVEMBER	118,090
JUNE	114,476	DECEMBER	116,495

EXPORTS OF REFINED PRODUCTS FROM BAHRAIN - 1956

	TONS		TONS
JANUARY	842,920	JULY	774,005
FEBRUARY	815,725	AUGUST	895,360
MARCH	870,760	SEPTEMBER	805,810
APRIL	854,260	OCTOBER	807,380
MAY	741,870	NOVEMBER	492,170
JUNE	702,315	DECEMBER	389,790

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ANNEX II

IMPORTS INTO BAHRAIN OF COMMODITIES IN THE SUPPLY OF WHICH THE UNITED KINGDOM PARTICIPATES

(Bahrain Government and Bahrain Petroleum Company imports are not included)

Commodity	1953 (£)	1954 (£)	1955 (£)	1956 (£)
1. CEMENT				
TOTAL	229,040	250,220	308,695	376,020
United Kingdom	71,615	38,360	22,985	5,930
Belgium	105	2,745	-	2,020
Sweden	-	-	72,485	65,570
India	115,580	84,535	33,245	605
Roumania	26,145	-	25,655	29,580
Germany	10,845	4,530	14,360	-
Pakistan	-	-	-	-
Yugoslavia	-	34,775	46,340	-
Denmark	-	62,275	20,385	-
Greece	-	-	71,240	-
Czechoslovakia	-	-	-	216,780
Poland	-	-	-	28,880
Hungary	-	-	-	18,645
2 BUILDING MATERIAL (TIMBER)				
TOTAL	259,600	198,585	534,780	540,875
United Kingdom	4,175	515	-	-
India	95,350	57,500	101,800	131,370
Malaya	54,960	41,655	64,025	47,820
Sweden	59,180	29,065	116,030	53,395
Italy	4,290	7,445	13,625	5,530
Siam	35,225	5,760	6,295	40,185
Syria	7,565	-	-	-
Austria	-	-	-	39,000
Trieste	-	-	-	14,115
3. OTHER BUILDING MATERIAL				
TOTAL	392,590	220,845	382,545	493,850
United Kingdom	147,010	87,950	101,210	121,410
Zanzibar	81,625	37,580	61,965	78,840
Belgium	57,680	22,280	79,290	89,500
Holland	18,565	8,525	6,580	24,135
Sweden	15,045	4,760	16,155	9,595
Germany	7,565	7,110	10,905	40,245
Japan	-	-	17,020	4,325
Lebanon	-	-	22,640	25,670
India	-	-	-	26,915
Italy	-	-	-	38,265
France	-	-	-	11,470
Iraq	-	-	-	13,080

/ 4. DYEING

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ANNEX II (Continued)

Commodity	1955 (£)	1954 (£A)	1955 (£)	1956 (£)
4. DYEING & COLOURING MATERIAL				
TOTAL	101,245	87,955	158,460	119,745
United Kingdom	48,665	69,210	75,615	83,870
India	1,000	565	295	185
U.S.A.	4,915	4,960	11,720	9,655
Holland	40,650	12,055	65,800	25,405
Japan	5,115	95	-	
5. LUBRICATING OIL				
TOTAL	12,170	11,920	10,490	13,280
United Kingdom	9,240	7,010	2,660	4,140
U.S.A.	2,200	4,645	7,735	8,520
Holland	665	265	95	580
6. OTHER OILS				
TOTAL	46,510	55,645	61,760	59,630
United Kingdom	6,505	8,305	6,560	9,270
India	6,670	8,375	9,860	16,645
Malaya	9,010	14,615	18,305	15,305
Africa (B.E.)	8,550	4,220	8,965	2,825
Ceylon	665	370	925	1,390
U.S.A.	11,445	18,570	12,935	11,360
Zansibar	-		3,820	1,410
7. SUGAR (Soft)				
TOTAL	414,305	375,055	368,730	356,925
United Kingdom	235,235	232,340	273,160	248,390
Holland	147,465	84,725	98,720	4,640
Belgium	1,980	4,065	12,185	17,705
India	-	-	-	4,-
Germany	-	29,190	-	4,175
Czechoslovakia	-	14,695	4,665	79,160
Poland	-	8,030	-	-
8. PROVISIONS				
TOTAL	1,606,880	1,657,810	1,745,260	1,836,725
United Kingdom	506,205	550,495	558,920	569,820
Australia	273,750	281,955	240,735	257,290
Holland	337,145	196,790	360,185	362,385
U.S.A.	142,290	178,525	183,600	260,875
Denmark	94,335	74,225	111,930	81,580
Italy	41,295	65,035	43,795	63,220
Malaya	59,760	45,315	104,900	64,485
Canada	1,020	3,610	6,860	460
Japan	-	-	20,070	41,785
Germany	-	-	14,975	14,630

/ 9. WEARING

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Commodity	1953 (£)	1954 (£)	1955 (£)	1956 (£)
9. WEARING APPAREL				
TOTAL	656,340	619,440	880,005	980,855
United Kingdom	95,430	87,730	102,920	112,550
India	128,070	129,535	137,580	155,200
Switzerland	112,020	96,475	122,500	123,220
U.S.A.	157,295	114,480	152,860	201,145	
Hong Kong	53,840	80,710	169,625	159,760
Malaya	-	45,720	71,650	59,215
Japan	-	-	28,545	58,775
Germany	-	-	26,175	32,755
Holland	-	-	-	24,585
10 COTTON PIECEGOODS				
TOTAL	773,410	794,180	705,560	740,615
United Kingdom	141,450	98,775	75,910	105,665
India	488,220	530,700	379,100	369,680
Japan	105,065	147,470	223,505	226,990
Switzerland	-	-	-	26,195
11 SILK AND SILK PIECEGOODS				
TOTAL	332,610	295,650	388,805	362,175
United Kingdom	33,510	19,565	36,375	35,180
Japan	117,060	170,925	176,845	203,605
Hong Kong	68,330	28,470	52,005	45,910
Switzerland	76,475	27,370	26,405	12,460
India	8,225	20,305	8,520	3,920
Italy	-	-	33,125	5,635
France	-	-	-	28,450
12 COTTON TWIST AND YARN				
TOTAL	31,680	36,545	26,640	25,650
United Kingdom	19,645	18,195	14,650	17,175
India	6,900	8,050	5,780	3,815
Belgium	2,295	4,980	2,405	2,585
13. WOOL AND WOOLLEN PIECEGOODS				
TOTAL	157,870	211,630	354,030	227,550
United Kingdom	57,625	66,990	96,585	63,425
Italy	65,710	91,230	156,765	71,505
Belgium	10,020	10,595	10,880	3,530
Germany	12,915	90	4,105	1,090
India	-	95	-	86,435
Japan	-	-	74,765	

/ 14. EARTHENWARE

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Commodity	1953 (£)	1954 (£)	1955 (£)	
14 EARTHENWARE AND GLASSWARE				
TOTAL	**65,995**	**62,030**	**69,875**	**74,655**
United Kingdom	13,000	12,040	9,875	17,335,
Japan	29,865	27,795	23,860	32,920
U.S.A.	13,895	11,285	19,740	8,425
Czechoslovakia	480	245	70	2,585
Germany	-	-	6,620	10,270
15 ARMS AND AMMUNITION				
TOTAL	**2,190**	**3,815**	**915**	**4,025**
United Kingdom	1,265	450	40	220
U.S.A.	-	1,830	530	2,665
Belgium	-	1,535	240	-
France	-	-	105	-
Germany	-	-	-	905
16 COIR ROPE AND YARN				
TOTAL	**23,405**	**53,985**	**47,330**	**53,205**
United Kingdom	11,073	27,105	19,180	3,595
India	8,110	17,345	15,960	29,095
Holland	-	-	9,000	17,740
17 DRUGS AND MEDICINES				
TOTAL	**65,215**	**82,900**	**105,720**	**148,235**
United Kingdom	52,960	69,470	80,100	112,005
India	3,520	3,660	3,495	5,450
U.S.A.	2,075	2,130	4,670	5,485
Switzerland	-	-	5,335	6,205
Germany	-	-	4,610	5,460
18 HARDWARE AND CUTLERY				
TOTAL	**366,050**	**297,240**	**344,590**	**402,600**
United Kingdom	96,770	115,970	82,435	80,210
India	83,290	71,215	86,915	99,345
U.S.A.	95,845	17,000	27,955	26,740
Germany	32,050	39,285	58,195	53,365
Belgium	6,365	7,070	20,020	49,360
Italy	19,580	95	600	7,980
Japan	11,380	12,930	20,180	13,200
Hong Kong	-	-	13,130	18,840

/ 19. HABERDASHERY

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ANNEX II (CONTINUED)

Commodity	1953 (£)	1954 (£)	1955 (£)	1956 (£)
19 HABERDASHERY AND HOSIERY				
TOTAL	188,960	135,925	196,415	208,505
United Kingdom	28,265	29,265	33,740	21,895
India	63,440	65,365	58,900	54,615
U.S.A.	34,310	29,365	34,235	33,060
Hong Kong	36,295	35,610	24,035	36,810
Japan	-	-	36,790	53,575
20 MACHINERY AND PARTS				
TOTAL	759,510	738,640	761,915	1,285,430
United Kingdom	357,425	459,260	525,895	1,030,870
U.S.A.	366,835	238,010	161,115	162,555
Holland	9,140	6,500	16,690	7,730
Germany	17,810	7,715	11,305	40,855
21 HOUSEHOLD EQUIPMENT & ACCESSORIES				
TOTAL	1,729,865	1,681,360	2,208,210	2,573,695
United Kingdom	712,895	644,895	979,080	1,182,900
India	217,055	216,735	254,825	207,575
U.S.A.	289,600	291,870	341,955	370,105
Persia	46,530	24,365	19,755	21,695
Germany	132,590	141,585	189,000	229,160
Holland	79,195	99,350	101,070	118,745
Sweden	42,920	55,060	51,860	41,185
Hong Kong	43,415	70,710	61,475	73,835
Italy	15,865	16,090	28,110	55,670
Malaya	29,035	20,940	15,475	1,980
Japan	57,005	51,805	92,460	151,630
22 CIGARETTES				
TOTAL	282,655	286,980	337,100	372,125
United Kingdom	111,870	109,100	149,220	246,405
U.S.A.	168,855	175,620	180,965	117,360
25 PERFUMERY				
TOTAL	85,050	85,150	97,770	111,695
United Kingdom	29,090	32,880	28,145	33,760
Persia	14,675	14,095	12,570	14,910
France	15,350	9,420	14,310	20,175
Switzerland	2,550	1,620	5,765	7,305
Egypt	1,715	2,680	3,350	3,365
Germany	2,740	4,140	2,755	2,350
India	10,815	8,910	13,590	13,325
Holland	-	-	7,425	5,735

/. TOBACCO

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Commodity	1953 (£)	1954 (£)	1955 (£)	1956 (£)
24 TOBACCO				
TOTAL	55,465	55,450	60,040	65,840
United Kingdom	4,005	5,180	2,500	3,605
India	1,695	1,665	1,905	6,010
Muscat	26,500	29,990	36,990	34,260
Dubai	5,640	7,590	10,245	15,760
25 MOTOR CARS, LORRIES AND TRACTORS				
TOTAL	655,225	512,180	542,860	510,635
United Kingdom	172,335	102,390	120,830	128,065
U.S.A.	481,655	408,855	417,590	362,050
Germany	-	-	3,820	9,615
26 MOTOR ACCESSORIES				
TOTAL	255,555	227,070	349,230	289,240
United Kingdom	84,145	86,500	93,285	94,850
U.S.A.	134,890	119,550	202,935	142,990
Holland	2,800	3,925	4,550	3,900
India	7,585	7,685	12,550	9,815
Germany	4,425	8,550	28,460	20,025
Japan	-	-	2,765	15,820
27 MOTOR CYCLES				
TOTAL	8,875	4,465	5,190	5,605
United Kingdom	5,770	2,715	3,870	4,575
Czechoslovakia	1,960	-	1,320	430
Italy	525	-	-	200
Germany	620	390	-	400
28 MOTOR CYCLE ACCESSORIES				
TOTAL	1,730	1,455	970	840
United Kingdom	1,565	1,180	725	595
Germany	25	100	70	85
Czechoslovakia	105	175	175	160
29 BICYCLES				
TOTAL	29,330	30,605	40,445	61,700
United Kingdom	29,330	30,605	39,235	59,855
Germany	-	-	1,010	1,730

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ANNEX II (CONTINUED)

Commodity	1953 (£)	1954 (£)	1955 (£)	1956 (£)
30 BICYCLE ACCESSORIES				
TOTAL	11,155	16,175	25,835	19,180
United Kingdom	7,035	6,505	9,555	5,845
India	510	1,100	2,235	1,325
Holland	2,170	2,360	4,195	2,850
Germany	1,330	4,030	4,100	3,115
Japan	110	1,450	5,465	5,485

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ANNEX III

BAHRAIN IMPORTS - 1956

From major countries but excluding Muscat, Dubai and contiguous territories and all articles and commodities imported by the Government of Bahrain, the Bahrain Petroleum Co. Limited, or admitted duty free (£ Sterling)

	January	Feby.	March	April	May	June	July	August	Sept.	October	Nov.	Dec.	TOTAL (annual)
Africa (B.E.)	26,980	3,290	6,235	20,910	14,570	6,260	4,315	5,210	5,705	4,310	3,136	20,435	121,385
Australia	49,780	17,565	10,450	37,795	19,060	36,955	31,870	50,510	22,435	46,900	52,280	73,235	448,745
Belgium	29,390	24,010	43,975	20,710	33,040	37,785	39,645	8,985	37,315	34,695	19,185	60,095	388,830
Burma	86,510	12,585	2,530	75,400	161,740	88,110	14,850	169,170	7,535	2,965	172,565	197,040	991,000
Canada	310	-	1,550	-	-	-	-	-	-	-	-	8,985	10,845
Ceylon	7,690	6,145	1,500	805	-	1,940	4,725	1,160	7,970	8,170	4,825	32,420	77,350
Czechoslovakia	12,700	50,205	24,800	18,225	62,780	68,840	24,760	56,635	-	6,830	1,085	6,225	333,085
Denmark	4,970	15,185	6,150	10,750	8,270	2,900	1,480	320	5,220	15,155	6,975	7,260	84,635
Egypt	6,790	8,285	5,100	5,640	13,195	11,505	1,095	2,955	1,555	4,545	2,405	4,610	67,680
France	6,885	10,295	10,850	21,405	15,800	14,575	14,840	6,650	6,120	12,245	6,945	5,040	131,650
Germany	17,085	40,410	40,180	32,680	50,350	93,630	45,840	22,115	14,815	53,895	40,885	45,040	496,855
Holland	44,475	89,315	81,620	100,825	48,890	72,010	81,640	19,910	62,915	157,240	50,205	53,275	862,320
Hong Kong	26,735	26,480	24,080	29,310	8,145	61,025	23,930	16,715	21,005	48,605	20,990	59,595	366,615
Hungary	-	75	18,645	2,155	2,880	455	1,745	1,050	2,100	2,010	-	-	31,115
India	287,465	224,465	179,535	210,935	226,355	210,890	217,035	205,880	191,435	214,025	190,980	222,515	2,581,515
Iran	18,655	17,225	24,885	27,100	26,275	24,245	44,440	36,645	48,675	41,985	37,830	29,435	377,395
Iraq	18,945	14,230	13,250	7,610	7,105	10,785	7,385	3,970	8,490	8,740	10,620	18,680	129,810
Italy	39,220	18,655	7,940	20,320	14,430	54,345	15,635	22,460	40,605	31,190	1,435	34,205	300,440
Japan	41,780	94,950	75,060	30,590	13,305	126,740	77,235	68,035	62,100	119,190	62,935	107,980	879,900
Lebanon	11,875	10,775	19,300	28,900	20,815	4,075	4,970	7,870	21,065	14,730	1,675	11,935	157,985
Malaya States	34,615	38,910	32,830	9,190	2,125	44,620	6,185	11,465	10,160	16,410	14,365	39,635	260,510
Norway	1,340	2,705	915	20	2,415	6,185	910	105	1,125	40	-	-	15,560
Pakistan	120,720	116,880	76,725	36,120	15,980	9,205	14,760	19,725	4,685	6,800	3,330	3,560	428,490
Poland	360	480	655	29,335	415	-	390	225	-	-	-	-	31,860
Roumania	9,760	19,620	-	-	-	-	-	-	-	-	-	-	29,380
Siam	-	-	17,365	85	-	9,905	21,440	-	-	-	32,080	17,275	98,150
Spain	-	1,480	2,210	200	1,480	5,590	45	410	785	4,960	-	-	17,160
Sweden	50,435	11,300	28,765	20,165	8,660	10,670	38,980	4,360	2,105	7,850	2,520	1,905	187,715
Switzerland	19,910	18,465	23,695	16,085	16,455	19,305	14,955	11,705	17,085	12,715	9,320	9,725	189,420

/. Syria

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ANNEX III (Continued)

	January	Feby.	March	April	May	June	July	August	Sept.	October	November	Dec.	Total (annual)
Syria	835	490	695	3,705	215	415	1,320	240	545	960	780	1,490	11,690
United Kingdom	339,890	372,045	359,010	318,580	406,050	393,815	314,870	422,055	431,790	455,895	236,165	376,860	4,427,085
U.S.A.	184,915	175,735	133,340	194,775	232,425	190,090	195,975	152,890	168,470	96,010	61,175	192,560	1,968,360
Zanzibar	-	-	-	-	-	-	-	6,730	15,440	6,595	-	-	28,765
Austria	-	-	-	-	-	-	-	5,760	28,055	8,600	-	-	42,415
Trieste	-	-	-	-	-	-	-	-	-	-	6,850	1,290	
Others	19,060	31,790	19,230	13,505	9,855	40,290	51,530	3,310	67,930	45,795	975	9,745	313,015
TOTAL	1,519,880	1,474,045	1,293,070	1,343,680	1,443,070	1,657,160	1,318,795	1,345,225	1,315,235	1,490,055	1,054,545	1,642,050	16,896,810

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ANNEX IV

BAHRAIN EXPORTS & RE-EXPORTS - 1956

(Mainly the latter)

(Commodities only - excludes oil)

Country of Destination	January	February	March	April	May	June	July	August	September	October	November	DECEMBER	TOTAL
Saudi Arabia	416,130	492,800	316,875	389,195	325,080	561,005	478,105	445,145	356,125	529,720	281,400	483,105	5,074,685
Qatar	119,905	47,670	54,260	55,755	52,040	64,695	46,595	41,760	43,290	50,700	31,065	64,425	672,160
Dubai	20,725	22,565	9,880	22,340	78,085	79,280	39,180	117,795	137,565	21,745	60,335	66,600	676,095
Muscat	2,480	6,165	8,550	10,525	11,500	8,835	10,200	14,705	5,690	12,490	5,440	4,820	101,400
Kuwait	9,630	13,855	21,350	22,735	15,205	20,710	26,805	20,375	29,780	22,490	15,960	21,700	240,595
Iran	44,990	50,635	54,145	52,525	50,375	51,965	40,455	41,915	20,990	35,710	28,435	53,095	525,235
India	2,675	30,035	1,140	1,150	685	635	715	490	1,905	1,905	820	1,285	15,540
Pakistan	130	100	450	50	80	55	-	255	285	2,145	280	2,475	6,305
Iraq	360	205	30	10,575	15	80	600	3,895	2,985	415	75	915	20,150
Afghanistan	2,315	8,245	15,515	6,315	9,290	760	1,275	1,640	335	-	3,585	4,250	53,525
United Kingdom	195	3,000	13,310	8,930	-	-	-	-	-	-	-	-	25,435
B.E. Africa	65	165	225	105	360	30	-	-	375	-	45	20	1,390
Aden	-	150	215	255	310	2,295	580	-	1,065	500	515	275	6,160
Germany	-	-	-	450	-	270	-	-	-	-	160	-	880
Italy	-	-	-	-	375	-	-	-	-	-	-	-	375
Lebanon	-	-	-	-	-	-	-	-	-	-	10	-	10
TOTAL	619,600	648,590	495,945	580,905	543,400	790,615	644,510	687,975	599,490	677,820	428,125	702,965	7,419,940

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ANNEX V

WHEAT FLOUR (Value in £.)

	1956	1.1.57 to 31.8.57
United States	166,230	149,895
Australia	171,630	157,170
Italy	-	1,285
	£. 337,860	
(1955	£. 358,205)	

WHEAT

Australia	10,700	12,585
Lebanon	26,085	-
Syria	3,090	-
Persia	140	30
United States	25,270	5,920
Canada	21,710	38,960
Iraq	-	16,090
	£. 86,995	
(1955	£. 33,655)	

FRESH VEGETABLES AND FRUIT

India	46,440	46,815
Persia	124,045	75,780
Italy	25,455	10,405
Egypt	37,095	875
Australia	7,160	8,005
Lebanon	32,155	64,910
Muscat	11,210	8,430
Holland	920	1,425
Syria	2,110	6,540
Iraq	1,375	1,525
South Africa	2,155	-
	£. 288,000	
(1955	£. 257,950)	

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ANNEXURE VI.

ITINERARY.

7th	October	2 p.m.	- Left Karachi per s.s. DARESSA.
8th	October		- Arrived - Pasni Left
9th	October		- Arrived - Muscat Left
10th	October		- Arrived - Dubai Left
11th	October		- Arrived - Umm Said Left
12th	October		- Arrived - Bahrein.
13th	October		- In Bahrein.
14th	October		- Left Bahrein by air for Kuwait.
15th	October		- In Kuwait.
16th	October		- Left Kuwait by air for Bahrein.
17th	October		- In Bahrein.
18th	October		- Left Bahrein by air for Basra.
19th	October		- In Basra.
20th	October		- Left Basra per s.s.DARESSA for Abadan and Khorramshahr.
22nd	October		- Arrived - Bahrein. Left.
23rd	October		- Arrived - Umm Said. Left.
24th	October		- Arrived - Dubai. Left.
25th	October		- Arrived - Muscat. Left.
26th	October		- Arrived - Pasni. Left.
27th	October	10 a.m.	- Arrived - Karachi.

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FM:HB

781/1

17th January, 1958.

The Secretary,
Department of Trade,
CANBERRA. A.C.T.

Trade Commissioner's Visit to the Persian Gulf

It would be appreciated if you would make available to us a copy of the report forwarded to the Department of Trade by the Australian Government Trade Commissioner in Karachi, Mr. R.K. Scott, following his visit to the Persian Gulf in October, 1957.

(K. Desmond)
for the Secretary.

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DEPARTMENT OF EXTERNAL AFFAIRS
28 DEC 1957
780/1
CANBERRA

In reply quote No. 36

Memo No. 1576/57

AUSTRALIAN HIGH COMMISSION,
KARACHI.

16th December, 1957

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

TRADE COMMISSIONER'S VISIT TO THE PERSIAN GULF

.....

Forwarded herewith is a copy of an article written for the Department of Trade magazine "Overseas Trading" by the Trade Commissioner, Mr. R.K. Scott, following his visit to the Persian Gulf in October, 1957. You may already have received a copy of this article from the Department of Trade.

2. I would also draw your attention to the full report on his tour of which the Trade Commissioner forwarded five copies to the Department of Trade. A spare copy of the latter report is not available, but I would suggest that, if you have not already received one from the Department of Trade, you request that Department to make one available.

Yes!

Mr. Peters.
TPI/61

ER

H. Gracie
Second Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

Article for "Overseas Trading" prepared by R.K.Scott, Australian Government Trade Commissioner, Karachi, following his visit to the Persian Gulf in October, 1957.

There are many reasons why Australian exporters should look and see for themselves what the Persian Gulf countries have to offer.

With the exception of Iraq, which is generally self sufficient in food production and Iran, which likewise produces most of the food required for the present standards of living of its population, the remainder of the States bordering the Persian Gulf produce little but oil and a negligible quantity of dates and therefore must rely on imports to the value of something like £A. 400 million per annum.

Known oil reserves will enable the present rate of exploitation to be continued for another 30 or 40 years and with the search for oil continuing noone imagines that some further successes will not attend the efforts of the searchers.

The main Persian Gulf ports more especially Bahrein, lie directly on the Australia/Europe air route and for visitors to the Indo-Pakistan sub continent Bahrein is considerably less than half a day in flying time from either Bombay or Karachi.

There is a growing standard of living amongst the local people it being estimated that in the last 8 years average wage standards have increased by something more than threefold and are still increasing.

There is a regular shipping service from Australia connecting all capital cities directly with the main Gulf ports.

There is a demand for practically everything either by the local people or by the several thousand Americans and Europeans stationed in the area and as virtually nothing is produced locally this demand must be satisfied through importing.

The market is compact in that its 4 or 5 main centres are connected by almost daily air services and although accommodation in some parts is not good and often difficult to obtain, the existing air services enable these parts to be visited without an overnight stop. Full details of transport services operating to and around the Gulf are in possession of the Department of Trade and businessmen contemplating a visit to the area can be given assistance in planning their itinerary. The Australian Government Trade Commissioner at Karachi is also in a position

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to advise on special aspects including the appointment of agents.

The main purpose of this article is to highlight some of the characteristics of the principal Persian Gulf ports - principal either because of their oil wealth or their importance in entrepot trade.

It is recommended that at least Bahrein and Kuwait should be visited and if time permits Doha in Qatar and possibly Dubai. Basrah and if possible Baghdad should not be neglected. Basrah may sometimes not be thought of as a Persian Gulf port being several miles up the Shatt-el-Arab river, although the only approach to it by sea is through the Persian Gulf and it is the only port of Iraq, a country with a rapidly expanding economy through oil wealth in which 70% of the Government's oil revenues are being devoted to development, and thereby to the lifting of the lot of the common man.

BAHREIN.

Although in terms of oil production by no means the wealthiest of the Persian Gulf states, Bahrein, an independent Sheikhdom is undoubtedly the most important, commercially speaking. How long it will continue to hold this position is a matter upon which opinions differ for while there are many reasons for its occupying its unique position there are also many signs that the developing economies of its neighbours plus their growing spirits of nationalism may gradually rob Bahrein of its importance as the entrepot port in the Persian Gulf.

Bahrein was one of the first countries in the Gulf where oil was discovered - as far back as 1932. Although many of its neighbours have now eclipsed it as an oil producer, it has become important as a refining centre for oil produced in nearby fields in Saudi Arabia, about 80% of the total oil refined coming from this source. It is the centre for British Political Representation for the British protected Sheikhdoms of the area: the head offices of many of the old established British merchants who operate throughout the Gulf are located in Bahrein: the island is strategically well situated for entrepot trade. All these things have combined to give Bahrein a lead over its neighbours.

Several forces are operating to rob Bahrein of this lead amongst which may be mentioned the growing spirit of nationalism in neighbouring Sheikhdoms backed up by a wealth through oil; the resentment of the 2%

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ad valorem transit duty of goods entering Bahrein but destined for other countries, (this transit duty has been withdrawn as from January 1958); and the difficulty which Bahrein has been experiencing in its trade with Saudi Arabia. However, the importance of Bahrein as an entrepot port in 1956 is shown by the fact that for the 12 months ending December,1956, out of imports totalling £ 17 million sterling (excluding commodities imported by the Government of Bahrein and the oil Company) nearly £ stg.7½ million was re-exported.

A tour of the shops and bazaars in Bahrein soon establishes the following points:-

1. That almost every luxury or necessity is available.
2. That apart from canned goods and frozen meat cuts and some fresh fruits it is difficult to find any Australian goods in the shops or bazaars.
3. That except in the case of milk products U.S.A. canned goods predominate over all others said to be because of the price factor and more attractive packaging (brighter colours with cans directly printed rather than separately labelled).
4. That Holland predominates as the principal supplier of canned milk products.
5. That in the hardware, appliances, electrical and textile fields, the U.K.,Germany and Japan are the principal suppliers.

The bazaars also provide evidence of the difficulty in finding adequate representation in Bahrein. Many merchants with exclusive agencies do nothing to merchandise their principal's products but are content to sell only through their own retail outlet. There are of course some notable exceptions to this but care should be exercised in granting exclusive agencies.

Full details of customs regulations and duties are available through the Department of Trade but in summary it could be said that for Bahrein the rates of duty are 5% ad valorem on all foodstuffs and necessities and 10% on most other goods excepting Tobacco and Liquor where the rate of duty is 15%.

Irrevocable Letter of Credit is customary and there are no special forms of documentation.

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Advertising.

There are no regular newspapers being produced in Bahrein although some of the Arabic papers produced in the Iraq and the Lebanon are occasionally seen as is also the English edition of the Iraq Times, although this generally does not circulate extensively beyond Kuwait.

Slides or even short films offer some possibilities although because of the cost of production of the latter and the desirability of dubbing in Arabic business would have to be of considerable potential to justify their use.

There is no evidence of any advertising agencies in the area and advertising copy, blocks, etc. would almost certainly have to be prepared in Australia and sent out.

Point of sale advertising such as counter displays is the most widely used media and it is noticeable that the best of these displays are closely allied to the product they are selling, a desirable feature because of the inability of many to read English or for that matter Arabic.

Bright colours are preferable to more subdued ones. The Trade Commissioner was shown the label of a leading Australian canner which in many circles would have been considered attractive and in good taste but because of the fact that it was in cream and pastel green shades it was considered a poor label by the Arab merchant.

In some parts of Arabia there is an objection to the reproduction of human or animal life, upon religious grounds, and although this does not appear to be the case in most of the Persian Gulf ports there might be some wisdom in avoiding labels which do depict human or animal life.

There is no commercial radio in the area although at Dhahran there is an American Commercial Television station which is quite well received in Bahrein. While it was not possible to get a check on the number of viewers or the rates charged or the availability of time it does not seem that at this stage the use of television as a medium of advertising would be justified.

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KUWAIT.

The Sheikhdom of Kuwait is one of the richest oil areas in the world, and of the Government revenues from oil amounting to approx. £A. 125 million per annum 60% is said to be devoted to developmental projects. It has a population of approx. 220,000, an index of the prosperity, hardly seen elsewhere in the middle east, is the fact that the number of cars in Kuwait is estimated at 25,000. There is virtually no local vegetation.

Though similar in many respects, the Kuwait market has some notable differences from that of Bahrein.

Local meat is more readily available from live animals driven across from Iraq. This effects only consumption by local peoples and there is a demand from the European and more prosperous Kuwaitis for frozen meat cuts. Here, as also in Bahrein, it was noticed that while Australian meat and canned goods - the latter in limited quantity and range - were available, frozen vegetables came mainly from the United Kingdom.

There appears to be no market for Australian fresh fruits and vegetables here as these come either by road or in the case of perishables by air from the Lebanon. At an average price of approx. 3/- Aust. per lb. for fresh vegetables their cost is high.

In both Kuwait and Bahrein, a big limiting factor in the import of frozen goods is the lack of cold storage capacity. Two merchants mentioned to the Trade Commissioner their intention to provide additional storage and there is little doubt that capacity will expand with development.

A plan to give all children at least one free meal per day through the Kuwait Central Kitchens has been temporarily suspended. However, the Kuwait Central Kitchens have substantial cold storage capacity and could be a good customer for Australia if the scheme progresses.

Import duty is at an overall rate of 4% "ad valorem" excepting for oil company purchases which are free. Alcoholic beverages are free of duty, but their distribution is controlled by a permit system administered by the British Political Agent and the importation of liquor is entirely in the hands of one Company. Liquor may not be sold to Kuwaitis.

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There is a noticeable difference in the composition of the business community there being more businessmen of Lebanese and Palestines Arab origin.

Because of the greater influence of mediterranean people there is said to be a greater demand amongst the non-european population for european types of food.

Point of sale advertising was again the chief media in evidence although here 3 or 4 papers in arabic printed outside Kuwait can be freely purchased as also can a Kuwait edition in English of the Iraq Times.

A perusal of the papers in arabic soon establishes that the bulk of advertisements are sponsored by companies of international reputation whose advertising departments have obviously studied the market with considerable care.

BASRAH.

It is difficult to isolate the trade of Basrah as a Persian Gulf port from Iraq as a whole and businessmen contemplating a visit to Basrah would be well advised to go on to Baghdad the capital of Iraq more especially those who may consider they will have opportunities of participating in the tenders called by the Iraqi Development Board which spends about £A.70 million per year on developmental schemes associated with irrigation and power development projects and the provision of more and better hospitals, schools and homes.

Generally speaking, the Iraqi customs tariff is protective rather than purely revenue producing and over the past 12 months there has been a tightening in import licensing. However, it is expected that this position will improve now that Iraq's oil production is approaching the normal achieved prior to the loss of its pipe lines in Syria during the Suez crisis.

IRAN.

The ports of Iran in the Persian Gulf are almost solely entry ports and of little other commercial importance. Unless a more extensive tour were planned to include Teheran, it is not recommended that the ports of Iran should be visited.

DOHA (QATAR).

The only other oil producing state in the Persian Gulf is Qatar, an independent Sheikhdom which in 1956 exported about 5,500,000 long tons of crude oil.

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Traditionally most imports other than on behalf of the Qatar Petroleum Co.Ltd. have been made through Bahrein. However, with growing wealth this position is tending to change and Qatar cannot be neglected as a centre of increasing importance. It is within half an hour flying time of Bahrein and there is a daily air service which leaves Bahrein in the morning and returns in the evening.

Duties are low being at the flat rate of 2½% ad valorem on all imports from all sources except cigarettes, tobacco, gramaphones and gramaphone records, wine, spirits and beer where the duties are higher.

In conclusion the following points are made:-

1. During the year 1956-57 Australia exported more than 3 million pounds Australian worth of goods to the Persian Gulf countries, chiefly consisting of fresh or frozen meats, canned provisions, butter, cheese, flour, eggs and iron and steel, pipes, tubes and fittings.
2. The major oil producing companies in the area maintain purchasing offices in Australia, the recent trend being for oil companies to purchase on the local market items which are in general supply but to import all specialist equipment, foodstuffs and other items where a particular quality or type is of importance.
3. The market is very brand conscious.
4. It is probably not wise to offer like products at different prices. The advice of one banker who has been in the area for many years was that his firm conclusion in dealing with arab traders was that it is necessary to quote the lowest price for the highest quality. If differential prices were quoted for like articles he would take the lowest quote but still sell at the price he would have charged for the higher quoted article.
5. There is undoubtedly scope for export group marketing. Because of the limited demand for a particular item within a range e.g. canned provisions, and because of the brand consciousness of the market and the economies to be obtained in establishing one brand name instead of several, there could well be scope for a particular type of group marketing where the group combined to produce articles for the export market under the one brand i.e. an application of the chain or large store technique of marketing a variety of articles under its own brand name.

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KARACHI

36

Memo No. 576/57

16th December, 1957

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

TRADE COMMISSIONER'S VISIT TO THE PERSIAN GULF

.....

Forwarded herewith is a copy of an article written for the Department of Trade magazine "Overseas Trading" by the Trade Commissioner, Mr. R.K. Scott, following his visit to the Persian Gulf in October, 1957. You may already have received a copy of this article from the Department of Trade.

2. I would also draw your attention to the full report on his tour of which the Trade Commissioner forwarded five copies to the Department of Trade. A spare copy of the latter report is not available, but I would suggest that, if you have not already received one from the Department of Trade, you request that Department to make one available.

[illegible] DEVIER

Second Secretary

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780/1

DEPARTMENT OF EXTERNAL AFFAIRS.

INWARD CABLEGRAM.

:ABK. I.17273.

Dated: 19th November, 1957.
1808.
FROM: Rec'd: 20th November, 1957.
0915.

Australian Consulate Genera l,(Transmitted via leased channel)
NEW YORK.

332. UNCLASSIFIED. PRIORITY.

Permission urgently required to issue business visas to the following members of a party from the National Commercial Bank of Jedda, Saudi Arabia.

A. Sheik Salim Bin Ahmed Bin Mahfoos,
Saudian Arabian National - General Manager and Chairman of the Board

B. Mr. Abdulaziz Mohamed Kaki,
Saudian Arabian National - Director and Deputy Chairman of the Board

C. Mr. El Amin,
Sudanese National - Foreign Manager, Beirut

D. Mr. S.M. Bagsair,
Sudanese National - Secretary, Board of Directors.

2. The party is vouched for by the Belgian-American Banking Corporation. Australian address will be the Australian and New Zealand Bank, Sydney. Purpose of travel to visit correspondent banks in Australia.

3. Advice required before 23rd November when party will leave New York by air.

IMMIG.
E.A.
TREASURY.
TRADE (C-M)
P.M.'S.

20th November, 1957.

SEC A/Gs LA ER PAC&AM AM&SP E.AF&ME AF&ME INF C&P.

Mr. Munro

Secretary advises that CAP acts on this in consultation with Department of Trade.

20/11

File Saudi Arabia / Australia.

National Archives of Australia NAA: A1838, 780/1 PART 1

FM:MO'G.

File 180

780

14th November, 1957

The Comptroller-General,
Department of Customs & Excise,
CANBERRA. A.C.T.

Enquiry about British Protected States in Arabia

Attention Mr. Dean

I refer to a telephone conversation between Mr. Dean of the Department of Customs and Excise, and Mr. Hill of this Department, on 7th November, 1957. The following information is provided in answer to Mr. Dean's enquiry about the Arabian States.

2. British Protected States in the Arabian Peninsula include Kuwait, Bahrain, Qatar and the Trucial States of Abu Dhabi, Dubai, Sharjah, Ajman, Um al Qaiwain, Fujairah and Rasel Khaimah.

3. Because of their small size and population these States would have been unable to maintain their independence unaided. During the 19th century a number of arrangements were entered into by these States with Great Britain, the effect of which was to place the conduct of their foreign relations under British protection and to afford them considerable support against aggression. The British Government refrained by agreement from interference in their internal affairs. In 1892 the Shaikh of Bahrain and the Trucial Shaikhs agreed not to part with any portions of their territories save to the British Government and in 1911 Kuwait made a similar agreement. By agreements with the British Government in 1915 and 1927 the King of Saudi Arabia bound himself to refrain from "all aggression or interference" and "to maintain friendly relations" with Kuwait, Bahrain, Qatar and the Trucial Shaikhs "who are in special relationship with H.M. Government". The British responsibility is exercised through H.M. Political Resident in the Persian Gulf, who has headquarters in Bahrain and subordinate to him, political agents in Kuwait, Bahrain, Qatar and Dubai.

4. The only minor Arab State not under British protection is the Sultanate of Muscat and Oman. This is an independent sovereign state. Relations with the U.K. are regulated by the 1951 Treaty of Friendship, Commerce and Navigation which provided for reciprocal national and most favoured nation treatment between the signatories.

National Archives of Australia NAA: A1838, 780/1 PART 1

5. In 1897 fearing that the Turkish Government would seek to make its nominal authority in Kuwait effective, the Shaikh asked the British Government for protection and in 1899 concluded a Treaty with Great Britain by which he undertook not to receive within his territories representations of foreign powers not to cede or lease any portion of his territory to any foreign Government or national except with the express authorization of the British Government. In return he was assured of British protection in case of need. Following the outbreak of World War 1 the British Government recognized Kuwait as an independent Government under British protection.

6. The only other small enclaves are the British Colony of Aden and its Protectorates.

(D. J. Munro)
for the Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

780/1 File pls - 780.

BRITISH PROTECTED STATES IN ARABIA

1. British Protected States in the Arabian Peninsular include Kuwait, Bahrain, Qatar and the Trucial States of Abu Dhabi, Dubai, Sharjah, Ajman, Um al Qaiwain, Fujairah and Rasel Khaimah.

2. Because of their small size and population these States would have been unable to maintain their independence unaided, ~~and~~ During the 19th century a number of arrangements were entered into by these States with Great Britain, the effect of which was to place the conduct of their foreign relations under British protection and to afford them considerable support against aggression. The British Government refrained by agreement from interference in their internal affairs. In 1892 the Shaikh of Bahrain and the Trucial Shaikhs agreed not to part with any portions of their territories save to the British Government and in 1911 Kuwait made a similar agreement. By agreements with the British Government in 1915 and 1927 the King of Saudi Arabia bound himself to refrain from "all aggression or interference" and "to maintain friendly relations" with Kuwait, Bahrain, ~~and~~ Qatar and the Trucial Shaikhs "who are in special relationship with H.M. Government". The British responsibility is exercised through H.M. Political Resident in the Persian Gulf, who has headquarters in Bahrain and subordinate to him, political agents in Kuwait, Bahrain, Qatar and Dubai.

3. ~~That~~ The only minor Arab State not under British protection is the Sultanate of Muscat and Oman. This is an independent sovereign state. Relations with the U.K. are regulated by the 1951 Treaty of Friendship, Commerce and Navigation which provided for reciprocal national and most favoured nation treatment between the signatories.

4. In 1897 fearing that ~~Kuwait~~ the Turkish Government would seek to make its nominal authority in Kuwait effective, the Sheikh asked the British Government for protection and in 1899 concluded a Treaty with Great Britain by which he undertook not to receive within his territories representations of foreign powers nor to cede or lease any portion of his territory to any foreign Government or national except with the express authorization of the British Government. In return he was assured of British protection in case of need. Following the outbreak of World War 1 the British Government recognized Kuwait as an independent Government under British protection.

5. The only other small enclaves are the British Colony of Aden and its Protectorates.

DTD

Mr. Rubie
Copy, under cover of
a memo to C+E PS (attention
Mr Dean).

12/11

National Archives of Australia NAA: A1838, 780/1 PART 1

EXTERNAL AFFAIRS.

File No.

Date 7th Nov. 1957

SUBJECT Arabian States : Customs Enquiry

FOR Mr Lee
Wilson

Mr Dean of Customs & Excise has asked us for the following information concerning the Arabian States:

in Treaty relationships
Muscat & Oman
Bahrein
Kuwait
Qatar
Trucial States
(Abu Dhabi
Sharjah
Dubai)

(i) which of the Arabian States are under a form of British protectorate?

(ii) could the various types or degrees of protectorate be briefly described?

(iii) what is the status of other minor states on the Arabian peninsula which are not British protectorates?

(iv) in particular, what is the precise status of Kuwait?

P. McD. Scott
(E.R.)

National Archives of Australia NAA: A1838, 780/1 PART 1

CONFIDENTIAL AND GUARD

EXTERNAL AFFAIRS.

File No. 710/12/2

F. Trade Composition

Record of Conversation with Mr C. R. Courtney, Export Consultant

on 31st May, 1957.

Officers Present A. P. Renouf

780/1

MAIN SUBJECT(S):

MIDDLE EAST

The Department of Trade brought Mr Courtney over to see me. I ascertained from Mr Courtney that before becoming an export consultant in Australia, he was employed by the Foreign Office in the Middle East in military intelligence and served in Teheran, Addis Abbaba and Baghdad. Mr Courtney said that he had left the Foreign Office because he had no prospects of rising to any important diplomatic rank and because his outspokenness had not been appreciated by the Foreign Office.

2. Mr Courtney returned six weeks ago from a two months' visit to Iran, Iraq and the Persian Gulf states. He went there to investigate the prospects of developing Australian trade with the region.

3. Apart from the information which Mr Courtney gave the Minister on 30th April, Mr Courtney said:-

(a) The merchants in Iraq, Iran and the Persian Gulf states were sorry rather than angry that Australia had taken the United Kingdom's part during the Suez crisis. Australia's policy in the crisis was difficult for these Arabs to understand as they had always regarded Australia, and still did, as something distinct from the United Kingdom although having some vague connection with the United Kingdom;

(b) Iraqi criticism of the United Kingdom was not so much directed at the United Kingdom-French intervention in Egypt as at the fact that the United Kingdom and France had not pushed on and got rid of Colonel Nasser;

(c) He had discussed the situation in Syria with the Danish Consul-General in Baghdad, who had recently returned from a visit to Damascus (Mr Courtney's wife is Danish). The Danish Consul-General had previously spent several years in various iron curtain countries. The Consul-General had said that the atmosphere in Damascus completely accorded with the atmosphere he had found previously in the iron curtain countries. The government propaganda was completely pro-Soviet;

(d) Economically, Iraq was going ahead rapidly and Baghdad was quickly being modernised. The development schemes which were now planned would mean that Iraq would eventually be able to support a population of 35 million, that is, the population it had supported 2,000 years ago. There

DISTRIBUTION:

Minister.	A/S G.R.	Central Br.	D.L. & P.I. Br.	E. & T.A. Br.	Admin. Branch.
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A/S U.N.	L. & T. Div.	Western Br.	E.R. Branch.	C'wealth. Rels.	Melbourne Office.
A/S. Div IV	BMRC Br	Info. Br			Sydney Office.

FOLLOWING POST(S):

ACTION:

Report prepared by

(A. P. Renouf)

2060/55.

CONFIDENTIAL GUARD

National Archives of Australia NAA: A1838, 780/1 PART 1

CONFIDENTIAL
GUARD

would thus soon be plenty of room in Iraq to absorb all the Palestine refugees.

(e) Asked about the political situation in Iraq, Mr Courtney said that Nuri-el-Said was well in control. However, there was not much political discontent because of full employment. Just the same, Nuri was very unpopular as distinct from King Feisal who seemed to escape all blame for the ills that there were or that were imagined. Nasser was admired by the mob, not only in Iraq, but throughout the Persian Gulf states;

(f) Asked about Iraq's attitude to the projected new trunk pipe-line system, Mr Courtney said that one factor must not be overlooked. That factor was that the Iraqis mistrusted the Turks;

(g) One way in which the West might promote stability in the Middle East would be to encourage Turkey to increase its interest in the region;

(h) There was no sign of any Soviet attempt to penetrate the Persian Gulf states. There were no Soviet missions in any of these states and Russians were not allowed to enter them;

(i) Fear of Saudi Arabia's designs was general throughout the Persian Gulf states with the exception of Qatar which was very friendly to the Saudis;

(j) American missionaries in the Persian Gulf states were strongly anti-British and generally the same applied to American diplomats;

(k) The Persian Gulf states were a prospective market for Australian trade which could be valuable. In these states there was a great ignorance of what Australia produced and could supply - for example, no one in the states, even the representatives of the oil companies, knew that Australia was now exporting manufactured goods. Future Australian trade representation in the Middle East should be located in Bahrein; there would not be much point in having a trade commissioner in Baghdad or Teheran because the competition from European countries, particularly the Germans, was too intense;

(l) The Shah had done a remarkable job in Iran in the last two years of assuming control over the country again. Surprisingly enough, after the Abadan affair, the United Kingdom's relations with Iran were good. However, one could never be quite sure about Iran which was an intriguer's paradise.

4. Asked about the best place to locate a future Australian diplomatic mission in the Middle East, Mr Courtney made out a strong case for Baghdad in the following terms:-

(a) the fringe of the area of real interest to Australia ended at the Persian Gulf now that the future value of the Suez Canal was doubtful;

(b) Baghdad was the centre of the Baghdad Pact and the machinery of the Pact operated there;

(c) Iraq was a rapidly developing country and should in future

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National Archives of Australia NAA: A1838, 780/1 PART 1

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GUARD

years rise to leadership of the Arab world;

(d) a mission in Baghdad would be able to observe developments in the Persian Gulf states as well as in Saudi Arabia, Syria, Jordan and Iran.

Asked about other Commonwealth representation in Baghdad, Mr Courtney said that there was no representation ~~involved~~ from an old Commonwealth country. He had no doubt that Iraq would welcome such representation. There were now a large number of diplomatic missions in Baghdad and this was continually increasing.

5. Mr Courtney made one other interesting remark. This was that Radio Australia was received very clearly in the Persian Gulf states, just as clearly as the B.B.C., and was widely listened to. Broadcasters over Radio Australia might pay some attention to this.

APR/PF
3/6/57

GUARD
CONFIDENTIAL

National Archives of Australia NAA: A1838, 780/1 PART 1

TELEPHONE: WINDSOR 3105
G. COURTNEY
CONSULTANT - IMPORTS
562 ST. KILDA ROAD
MELBOURNE

710/1/21

XTERNAL AFFAIRS.

F. Trade Correspondents

Conversation made with Mr Kevin

MR. KEVIN.

Mr. (Colonel?) G.B. Courtney (card attached) came to see me in Melbourne yesterday.

I attach copy of a note that I sent to Waller on January 11th about him.

Not attached 1-5-57

Courtney has recently returned from his trip to the Middle East - which was a scouting expedition to see if he could beat up any Australian export business to Iraq, Iran and the Persian Gulf countries.

I do not know very much about him other than that he seems a good type and quite knowledgeable about the Middle East.

He tells me that his impression is that there is a very considerable amount of export trade to be picked up in the countries that he visited in the Middle East.

The Trade Department provided him with a brief, although he had no prices to offer for any of the goods in exportable supply from Australia.

He is reporting at length to the Department of Trade.

In general he told me that he found a "misty benevolence" towards Australia, although the Arab peoples do not know very much about us. He said that they seemed to remember us as being large men who came along and fought any enemy that was handy when there was a war on and then went home and it was finished.

He says that the general view amongst the Arab merchants is that the U.K. is finished as a world power, but they are perfectly willing to trade with them. The repute of the U.K. is a good deal better in Iran, which does not, of course, regard itself as quite belonging to the Arab World. Courtney said that the U.K. Ambassador to Teheran (Sir Roger Stevens) was very forthcoming and very keen on Commonwealth integration.

Courtney says that he believes that there is no Australian Trade Commissioner between Rome and Karachi - and that he thinks a good deal of trade could be beaten up if we had someone centrally placed in the Middle East. He mentioned, in particular, building materials - foodstuffs - cement - steel products.

He said that Nuri el Said was well in the saddle now - although there was no obvious successor to him of any consequence.

Courtney had a talk with Cawthorn in Karachi.

On the Trade side he said that he thought a great deal of interest would be generated in Australian Trade if there were to be a "mobile exhibition" of some of the

/ principal ...

Mr Kevin: Will you be arranging for Melbourne to call on us when they are visiting Trade. You'll need to talk to them

710/201/21

EXTERNAL AFFAIRS.

F. Trade Correspondents

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I attach copy of a note that I sent to Waller on January 11th about him.

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/ principal ...

National Archives of Australia NAA: A1838, 780/1 PART 1

principal products (the detail of which I think he could advise about) to move about from place to place.

I expect Courtney will be coming up to Canberra to see the Department of Trade within a few weeks. I think it might be a good thing to ask him to drop in on you and enlarge on the above.

You might consider that this is more properly the concern of Munro and the Economic Relations Branch. I leave that to you.

(R.G. CASEY).

Parliament House,
CANBERRA. A.C.T.

30th April, 1957.

National Archives of Australia NAA: A1838, 780/1 PART 1

710/12/2

DEPARTMENT OF EXTERNAL AFFAIRS RESTRICTED

OUTWARD CABLEGRAM.

MC: VA

O. 2317

Sent: 14th February, 1957
1755

TO:

Australian High Commission,
KARACHI.

40. RESTRICTED.

Trade.

G.B. Courtney has been commissioned by Commonwealth Government to investigate trade opportunities in Persian Gulf Area. Leaving Sydney 1800 hours Friday 15th. We would appreciate your extending courtesies. Courtney would appreciate your obtaining visa for him to visit Saudi Arabia and if High Commissioner agrees, interview with Saudi Arabian Ambassador on 18th.

- - - - - - - - - - - - - - - - - -

MIN. & DEPT. TRADE (C.M.)
E.A.
P.M's.

(Cost £1.11.9)
19th February, 1957.

SEC A/Ss ER S&SEA SA ADMIN PERS TRAV

RESTRICTED

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

INWARD TELETYPE MESSAGE

MESSAGE NO MIN 251 8.2.1957

FOR: MR. WALLER, E A, CANBERRA

FROM: MINISTER, MELBOURNE

REFERENCE MY NOTE TO YOU OF 11TH JANUARY ABOUT G. B. COURTNEY WHO IS OFF TO THE MIDDLE EAST SHORTLY.

COURTNEY WILL BE IN CANBERRA NEXT TUESDAY BETWEEN 2 AND 5 - SEEING MR. STREET IN THE DEPARTMENT OF TRADE.

IF ANYONE IN THE DEPARTMENT WANTS TO SEE COURTNEY, I SUGGEST THEY GET IN TOUCH WITH STREET ABOUT IT.

I IMAGINE I WROTE TO YOU ABOUT COURTNEY DURING KEVIN'S LEAVE. GLAD IF YOU WOULD PASS ON TO WHOEVER IS INTERESTED.

MESSAGE ENDS PM

National Archives of Australia NAA: A1838, 780/1 PART 1

File No. 710/12/2

EXTERNAL AFFAIRS.

Record of Conversation with Mr. Byrnes, Department of Trade.

on 11th January, 1957.

Officers Present Mr. K. Brennan

MAIN SUBJECT(S): PROPOSED VISIT BY TRADE CONSULTANT GODFREY BASIL COURTNEY TO MIDDLE EAST

Mr. Byrnes rang to say that the Department of Trade was proposing to use Mr. Godfrey Basil Courtney as a trade consultant in the Middle East. Mr. Courtney would be visiting Bahrein, Saudi Arabia, Baghdad, Basra, Kuwait, Karachi, Cyprus, Tehran, Beirut and possibly Aden. He would return from his trip possibly through the Philippines but would not be acting as a trade consultant in that country.

2. Mr. Courtney was born in England, 26th October, 1914, but had taken out Australian citizenship.

3. Mr. Byrnes wanted to know whether we had any comments.

4. I asked for some further information about Mr. Courtney and his status. Mr. Byrnes said that Mr. Courtney had first made contact with the Department of Trade in March, 1955, when he was on leave in Melbourne from Cyprus where he had been in service with the British Government. Shortly after his return to Cyprus conditions deteriorated and Courtney left the service of the British Government and became interested in the Middle East. He came out to Australia and set up as a trade consultant on trade in the Middle East. All enquiries made by the Department of Trade suggest that he is a man of the highest integrity and very knowledgable on Middle East questions. Several traders are interested in him. He is a graduate of Sandhurst and was a Colonel in the regular army. During the war he had service with the Special Operations Group and was later associated with Z Force. He has "had service" with the Foreign Office.

5. Mr. Byrnes was unable to say whether Courtney had been security checked or whether any enquiries had been made about him. As a trade consultant he would not be in any sense accredited as a representative of the Australian Government. He had substantial trading interests in the Middle East and was making a business visit there any way. The suggestion, which the Minister for Trade had approved, was that the Department of Trade should pay half the cost of his fares in return for which he would advise that Department on trade opportunities in the Middle East.

/ Mr. Byrnes said

DISTRIBUTION:

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A/S U.N.	L. & T. Div.	Western Br.	* E.R. Branch.	C'wealth. Rels.	Melbourne Office.
	* E.Af.M.E.				Sydney Office.

FOLLOWING POST(S):

Report prepared by Keith Brennan

ACTION:

4458/56.

National Archives of Australia NAA: A1838, 780/1 PART 1

6. Mr. Byrnes said that the Department of Trade was writing to the Treasury to seek approval for the payment of half Courtney's fare. I asked him to send us a copy of that letter and to request our opinion on the proposal to use him as a consultant in the Middle East.

Keith Brennan
(Keith Brennan)

E.R. Branch.

National Archives of Australia NAA: A1838, 780/1 PART 1

780/1

Memo 178 dated 8-6-56 to Cairo –

(1) Visit of Hon. Walker to Lebanon and Syria

(2) Civil Aviation Syria

(3) Diplomatic relations - Lebanon

has been regd on 716/55/5/4.

20/6/56.

National Archives of Australia NAA: A1838, 780/1 PART 1

Executive Council of Australian Jewry

(The Official Organisation of Australian Jewry)

796/1
20 APR 1954

'Phone: MA 4423
Cables: Boardden, Sydney.
SUITE 208, 243 ELIZABETH ST., SYDNEY.

OFFICE OF THE MINISTER FOR EXTERNAL AFFAIRS
REC'D. 14 APR 1954
EXTERNAL AFFAIRS CANBERRA

President:
Sydney D. Einfeld.

Senior Vice-President:
M. J. Ashkanasy, LLM., Q.C. (Vic.)

Hon. Treasurer:
Horace B. Newman.

Hon. Secretary:
S. V. Karpin.

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A. Breckler (W.A.)
A. Newhouse (Qld.)
Dr. E. A. Matison (S.A.)
H. J. Jacob (Tas.)

Constituents:
New South Wales Jewish Board of Deputies.
Victorian Jewish Board of Deputies.
West Australian Jewish Board of Deputies.
Queensland Jewish Board of Deputies.
South Australian Jewish Board of Deputies.
Hobart Hebrew Congregation.

13th April, 1954.

The Right Honourable R. G. Casey, C.H., D.S.O., M.C., M.P.,
Minister for External Affairs,
Department of External Affairs,
CANBERRA. A.C.T.

Dear Sir,

In the absence overseas of my President, Mr. S. D. Einfeld, I beg to acknowledge with thanks receipt of your letter of 1st April with regard to trade discrimination by Saudi Arabia.

We have communicated the contents of your letter to S. A. Zulaikha & Co. and, if any further evidence of official discrimination by the Saudi-Arabian authorities should come to hand, we shall take the liberty of communicating same to you.

Yours sincerely,

S. KARPIN,
HON. SECRETARY.

SK:JS

→ MR BODY
Secretary
Department of External Affairs

Forwarded for:
~~Draft reply.~~
~~Reply direct.~~
~~Attention.~~
Information.

(H. Marshall)
Private Secretary
14/4/1954

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1

7 APR 1954

Dear Mr. Einfeld,

I refer to your letter of January 16th, 1953, and subsequent correspondence concerning allegations of trade discrimination by Saudi Arabia against S.A. Zulaikha and Co. Pty. Ltd.

As previously advised, this matter was taken up, through the British Foreign Office, by the British Embassy in Jedda with the Saudi Arabian Ministry of Economy. The Embassy have now satisfied themselves that S.A. Zulaikha and Co. are not on the Saudi Arabian black list. The position therefore appears to be that so far there has been no official discrimination against the firm. The Embassy feels that, in the circumstances, making direct representations to the Saudi Arabian Government would not serve any real purpose.

While I appreciate that this result cannot be completely satisfactory to S.A. Zulaikha and Co, it may be of some assistance to them to know that they are not on the Saudi Arabian black list. There would, of course, be no objection to their quoting this fact to their Saudi customers, if they think this would strengthen their trading prospects.

The delay in advising you further in this matter is regretted but you will, I am sure, appreciate that this was due to the fact that, having no direct contact with Saudi Arabia, we were obliged to rely on the good offices of our British friends. Inevitably this indirect approach was protracted and time consuming.

Should any evidence come to light of official discrimination by the Saudi Arabian authorities, I would be glad to approach the Foreign Office again, whether in this case or on behalf of other Australian firms.

I am,

Yours sincerely,

(Sgd.) R. G. Casey

(R. G. Casey)

Sydney D. Einfeld Esq.,
President,
Executive Council of Australian Jewry,
Suite 208,
243 Elizabeth Street,
SYDNEY. N.S.W.

National Archives of Australia NAA: A1838, 780/1 PART 1

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President,
Executive Council of Australian Jewry,
Suite 208,
243 Elizabeth Street,
SYDNEY. N.S.W.

National Archives of Australia NAA: A1838, 780/1 PART 1

TEMPLE BAR 2435.

DEPARTMENT OF EXTERNAL AFFAIRS
22 MAR 1954
794/1
CANBERRA.

3/12/65/1

AUSTRALIAN EXTERNAL AFFAIRS OFFICE,
AUSTRALIA HOUSE,
LONDON, W.C.2.

11th March, 1954.

Memo.No. 329.

MEMORANDUM for: - The Secretary,
Department of External Affairs,
Canberra, A.C.T.

Trade Discrimination by Saudi Arabia

Reference is made to your memorandum No. 39 of 25th January, 1953 (your file 794/1). We have now received a reply dated 10th March from the United Kingdom authorities as follows:-

"Our Embassy in Jedda have made enquiries from the Ministry of Economy and have satisfied themselves that there is no company of this name on the Saudi Arabian black list. The position therefore appears to be that there has so far been no official discrimination against the firm, and the Embassy do not consider that in the circumstances anything could be done with the Saudi Arabian Government.

We are sorry not to be able to do more to help you in this matter. It may be of some assistance, however, to Zulaikha and Company to know that they are not on the Saudi Arabian black list; there would, of course, be no objection to their quoting this fact to their Saudi customers if they think this would strengthen their position."

2. In view of the reply from Jedda it would seem clear that no further progress can be made unless further details can be obtained from S.A. Zulaikha & Co. of actual official discrimination. With such further details we will be in a better position to make further representations to the Foreign Office.

(C.T. Moodie)
EXTERNAL AFFAIRS OFFICER

30/3

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

3/12/65/1

11th March, 1954.

Memo.No.....329

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(C.T. Moodie)
EXTERNAL AFFAIRS OFFICER

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1

Partly as a result of recent Arab League Boycott Committee's decisions, and partly because the task of implementing them has been taken over by the Ministry of Economy and has thus been better co-ordinated, Saudi attempts to enforce the Arab League boycott of Israel are becoming more zealous. A co-ordinated black list of shipping is being prepared, though not yet issued. A Ministry of Economy order in September stipulated that goods carried in Israeli ships or by ships belonging to Israeli shipping lines or calling at Israeli ports on their way to Saudi Arabia were liable to confiscation. In al-Hasa province on the east coast more stringent rules about certification of the non-Jewish origin of goods are reported to have been issued by the local authorities. A ban has been imposed on the import of Willys jeeps (apparently because a major interest in the firm belongs to Henry Kaiser); while the immediate effect of this should be to boost sales of Land-Rovers (if only sufficient numbers can be obtained from the United Kingdom), the reason for the ban has serious implications which it is hoped will not be applied to any similar cases in the United Kingdom.

In spite of evidence submitted to the Saudi Arabian Government to show that the Arab League Boycott Committee has lifted the ban on trade between the Arab States and Cyprus (Economic Report No. 3, paragraph 20), the ban remains here. It may well be that the Saudis, having in any case very little trade with Cyprus, are deliberately taking a "holier than thou" attitude to use as a propaganda talking-point with their Arab brethren.

Messrs. Berec (Great Britain) Limited (Ever-Ready batteries) have been prohibited from exporting to Saudi Arabia on the grounds that they have a branch in Israel. Although no positive steps have been taken yet against I.C.I., an enquiry is being made into I.C.I.'s distributors in Saudi Arabia and action may be contemplated.

National Archives of Australia NAA: A1838, 780/1 PART 1

The Australian Embassy,
WASHINGTON.

Referred for information.

(G.N. Upton)
for Assistant Secretary
Department of External Affairs
CANBERRA. A.C.T.

794/1
Memo No. 49.

25th January, 1954.

MEMORANDUM for:-

The External Affairs Officer,
LONDON.

Trade Discrimination by Saudi Arabia

Reference is made to your memorandum No. 42/54 of 14th January and previous correspondence on the above subject.

We are glad to learn that instructions have now been sent to Jedda to take the matter up and would appreciate being kept informed of developments.

As regards the request in paragraph 3 of your memorandum 24/54 for further particulars about S.A. Zulaikha, we are reluctant to approach the Executive Council of Australian Jewry until we have some information to pass on to them about consideration of the matter in Jedda. We last wrote to them on 22nd July when we advised that arrangements had been made for the United Kingdom to make representations in this matter to the Saudi Arabian Government and asked for the further details requested in your memorandum 641/53 of 17th July. This information was sent to you with our memorandum No. 546 of 8th September, 1953.

A copy of this memorandum has been sent to the Australian Embassy, Washington.

(G.N. Upton)
for Assistant Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

CONFIDENTIAL

TEMPLE BAR 2431

DEPARTMENT OF EXTERNAL AFFAIRS
22 JAN 1954
CANBERRA

AUSTRALIAN EXTERNAL AFFAIRS OFFICE,
AUSTRALIA HOUSE,
LONDON, W.C.2.

3/12/65/1

794/1

Memo. No: 42/54

14th January, 1954.

MEMORANDUM for :-

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Trade Discrimination by Saudi Arabia.

With reference to our memorandum 24 dated 8th January, 1954, we have been informed that instructions were sent off to Jedda early this week.

A copy of this memorandum is being sent to the Australian Embassy, Washington.

(C. T. Moodie)
External Affairs Officer

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

CONFIDENTIAL

3/12/65/1

14th January, 1954.

Memo. No: 42/54

MEMORANDUM for :-

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Trade Discrimination by Saudi Arabia.

With reference to our memorandum 24 dated 8th January, 1954, we have been informed that instructions were sent off to Jedda early this week.

A copy of this memorandum is being sent to the Australian Embassy, Washington.

(C. T. Moodie)
External Affairs Officer

National Archives of Australia NAA: A1838, 780/1 PART 1

Mr Shaw - Trade Discrimination by Saudi Arabia

You will see from EA Roberts memo 24 attached that the UK authorities are at last proposing to do something. The question of further evidence that SA Zulaabha has no Israeli connections is again raised.

Do you think we should write to the Council of Jersey now & ask such evidence (e.g. no trade with Israel) or wait until we can tell them something about representations actually made. We last wrote to them on 22nd July, 1953 when we asked for some information to enable the UK Ambassador to proceed & the Council of Jersey replied on 31 August, 1953.

Let us wait until we can say some approach has been made RJ 22/9

LL 22/9

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS
20 JAN 1954
CANBERRA.
794/1
CONFIDENTIAL

TEMPLE BAR 2435.

AUSTRALIAN EXTERNAL AFFAIRS OFFICE,
AUSTRALIA HOUSE,
LONDON, W.C.2.

3/12/65/1

Confidential

Memo. No. 24/54

8th January, 1954.

MEMORANDUM for : The Secretary,
Department of External Affairs,
Canberra, A.C.T.

Trade Discrimination by Saudi Arabia

I refer to your memorandum No. 711 dated 10th December (file No. 794/1) about allegations of trade discrimination by the Saudi Arabian authorities against S.A. Zulaikha & Co. Pty. Ltd.

We have discussed the matter with Fowler, the Head of the South Asian and Middle Eastern Department in the Commonwealth Relations Office, and also with the Eastern Department in the Foreign Office. We have stressed the concern of the Australian authorities at delays in handling this matter and the apparent reluctance of the Foreign Office to take the matter up with the British Embassy in Jedda. It has now been agreed that the British Ambassador in Jedda will be requested to take the matter up with the Saudi Arabian authorities at an early date and the Foreign Office have undertaken to keep us posted in developments. They are not sanguine about the prospects of results but the Ambassador will be asked to enquire specifically why this firm has been discriminated against. If, as the Foreign Office think may well happen, the Saudi Arabian authorities say that it is an Israeli-controlled firm the Embassy is being asked to press for some further details. The Foreign Office also say there is no sign of any general relaxation in the extreme attitude adopted by the Saudi Arabians.

With reference to the last paragraph of your memorandum, if there are any further particulars available about S.A. Zulaikha & Co., to demonstrate that it has no Israeli connections, or only tenuous ones, this information would be useful. The British Embassy in Jedda will also be asked to consult with the American Embassy as to the best ways of taking the matter up with the Saudi Arabian authorities.

We are forwarding a copy of this memorandum to the Australian Embassy in Washington.

ER

(C. T. Moodie)
EXTERNAL AFFAIRS OFFICER

National Archives of Australia NAA: A1838, 780/1 PART 1

CONFIDENTIAL

3/12/65/1

Confidential

Memo. No. 24/54 8th January, 1954.

MEMORANDUM for : The Secretary,
Department of External Affairs,
Canberra, A.C.T.

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We are forwarding a copy of this memorandum to the Australian Embassy in Washington.

(C. T. Moodie)
EXTERNAL AFFAIRS OFFICER

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1

Memo No. 711

10th December, 1953.

MEMORANDUM for:-

The External Affairs Officer,
LONDON.

Trade Discrimination by Saudi Arabia

Reference is made to your memorandum No. 1073/53 of 12th November, 1953, and previous correspondence (your file 3/12/65) about allegations of trade discrimination by the Saudi Arabian authorities against S.A. Zulaikha & Co., Pty., Ltd.

We are disturbed at increasing signs of reluctance on the part of the Foreign Office even to consult the British Ambassador, Jidda, about the possibility of making representations to the Saudi Arabian authorities on our behalf. It will be recalled that the Foreign Office said in April (your telegram 1246) of 17th April) that they would be prepared to make representations on Australias behalf. When specifically requested to do so the Foreign Office still appeared willing to forward our request to Jidda although adding the proviso that "they must leave to British Ambassador decision whether or not approach Saudis" (your telegram 1469 of 6th May). We had of course been aware as a result of our initial enquiries in Washington that any representations might well be fruitless. Nevertheless, the State Department suggested (Washington memo. 618/53) that the experience of their Embassy Jidda might be helpful to the British representatives there in deciding what might be done. In view of the failure of the Foreign Office to transmit our request to the British Ambassador six months have elapsed in which no advice has been given by the people on the spot, either British or American.

The delay is particularly embarrassing to us since, following your telegram 1246, the Minister wrote to the Executive Council of Australian Jewry stating that arrangements had been made for representations to be made to the Saudi Arabian Government through the good offices of the United Kingdom.

Under the circumstances we would be glad if you would urge the Foreign Office to transmit our request as soon as possible to the British Ambassador, Jidda.

S.A. Zulaikha & Co., is not an Israeli Organisation. It is an Australian firm with Jewish interests.

(Patrick Shaw)
Assistant Secretary.

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1

Memo No.

10th December, 1953.

MEMORANDUM for:-

The External Affairs Officer,
LONDON.

Trade Discrimination by Saudi Arabia

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The delay is particularly embarrassing to us since, following your telegram 1246, the Minister wrote to the Executive Council of Australian Jewry stating that arrangements had been made for representations to be made to the Saudi Arabian Government through the good offices of the United Kingdom.

Under the circumstances we would be glad if you would urge the Foreigh Office to transmit our request as soon as possible to the British Ambassador, Jidda.

S.A. Zulaikha & Co., is not an Israeli Organisation. It is an Australian firm with Jewish interests.

(Patrick Shaw)
Assistant Secretary.

National Archives of Australia NAA: A1838, 780/1 PART 1

TEMPLE BAR 2435.

DEPARTMENT OF EXTERNAL AFFAIRS
20 NOV 1953
794/1
CANBERRA.

AUSTRALIAN EXTERNAL AFFAIRS OFFICE,
AUSTRALIA HOUSE,
LONDON, W.C.2.

3/12/65

Memo No:1073/53

12th November, 1953.

Memorandum for - The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Jewish Trade with Saudi Arabia.

Reference is made to our memorandum No. 1045 of 9th November, ~~enclosing~~ enclosed a copy of a letter of 9th November from the Commonwealth Relations Office setting out the position as to what can be done by the Ambassador at Jedda on behalf of Messrs. Zulaikha & Co.

2. It will be seen that the Foreign Office consider that there is nothing that can be done by the United Kingdom Ambassador unless the firm can produce an assurance that they are not an Israeli firm.

3. No doubt you will advise us in due course as to whether you wish us to pursue this matter with the United Kingdom authorities.

Let me have the file pls 20/11/53

N. Cleeson-White

(N. Cleeson-White) (Miss)
for External Affairs Officer

(Encl.)

R.R

National Archives of Australia NAA: A1838, 780/1 PART 1

DUPLICATE

3/12/65
SA 242/243/3

9th November, 1953.

Dear Miss Gleeson-White,

Please refer to your letter of 30th September about trade restrictions imposed by the Saudi Arabian authorities on Jewish firms in Australia. We took this matter up with the Foreign Office who tell us that past experience has shown that the Saudi Arabian Government are impervious to reasoned argument, where their interpretation of the Arab League boycott against Israel is concerned. They also consider that the boycott is applicable to all firms having connexion with Israel, or engaging in trade with her. Moreover, the Saudis appear to go further than the other Arab countries in regarding the existence of any Jewish influence in a firm or undertaking as an ipso facto proof of its Israeli connexions. Illogical though this position may appear, it is firmly established in the Saudi mind, and nothing that our Embassy at Jedda have said hitherto has caused them to revise this attitude.

We would, nevertheless, certainly be prepared to sound the U.K. Ambassador on the advisability of making representations about the firm, if you could provide us with evidence relating to its connexions with Israel or lack of them. He would we are sure

/have

MISS N. GLEESON-WHITE,
AUSTRALIA HOUSE,
STRAND, W.C.2.

National Archives of Australia NAA: A1838, 780/1 PART 1

have no objection to taking action, if the firm are able to show that they are in no way an Israeli concern, and are not engaged in trade with Israel. If, on the other hand, Messrs. Zulaikha & Co., are unable to produce an assurance that they are free from such Israel connexions, I am afraid that we should consider it worse than useless to suggest an approach to the Saudis. Their reaction might well be to single out the firm for especially restrictive measures, and we should only succeed in making matters worse for them than they are at present.

Yours sincerely,

(S.F. St.C. Duncan)

National Archives of Australia NAA: A1838, 780/1 PART 1

3/12/65

Memo No:1073/53 12th November, 1953.

Memorandum for - The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Jewish Trade with Saudi Arabia.

Reference is made to our memorandum No. 1045 of 9th November ~~and now~~ enclosed is a copy of a letter of 9th November from the Commonwealth Relations Office setting out the position as to what can be done by the Ambassador at Jedda on behalf of Messrs. Zulaikha & Co.

2. It will be seen that the Foreign Office consider that there is nothing that can be done by the United Kingdom Ambassador unless the firm can produce an assurance that they are not an Israeli firm.

3. No doubt you will advise us in due course as to whether you wish us to pursue this matter with the United Kingdom authorities.

now
(N. Gleeson-White) (Miss)
for External Affairs Officer

(Encl.)

National Archives of Australia NAA: A1838, 780/1 PART 1

TEMPLE BAR ~~0814~~ 2435

DEPARTMENT OF EXTERNAL AFFAIRS
16 NOV 1953
794/1
CANBERRA

AUSTRALIAN EXTERNAL AFFAIRS OFFICE,
AUSTRALIA HOUSE,
LONDON, W.C.2.

3/12/65

9th November, 1953.

Memo. No. 1045/53

Memorandum for - The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Jewish Trade with Saudi Arabia.

Reference is made to your memorandum No. 546 of 8th September concerning alleged trade discrimination by the Saudi Arabian Government against Jewish firms.

The attachments to your memorandum were passed as requested to the Foreign Office. As we have heard nothing recently we are making enquiries about the position from the Foreign Office.

N. Gleeson-White

(N. Gleeson-White) (Miss)
for External Affairs Officer

R/S with file 7/12

Mr. Munro 17/11

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

---- 2435

3/12/65

9th November, 1953.

Memo. No. 1045/53

Memorandum for - The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Jewish Trade with Saudi Arabia.

Reference is made to your memorandum No. 546 of 8th September concerning alleged trade discrimination by the Saudi Arabian Government against Jewish firms.

The attachments to your memorandum were passed as requested to the Foreign Office. As we have heard nothing recently we are making enquiries about the position from the Foreign Office.

(N. Gleeson-White) (Miss)
for External Affairs Officer

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY
DLT/JK

794/1

Memo No. 546

8th September, 1953.

MEMORANDUM for:-

The External Affairs Officer,
Australia House,
LONDON.

Jewish Trade with Saudi Arabia

I refer to your memoranda Nos. 598 of July 3rd, and 641 of July 17th, concerning alleged trade discrimination by the Saudi Arabian Government against Jewish firms.

.... Attached for transmission to the Foreign Office are copies of letters received by S.A. Zulaikha and Company from firms in Mecca and Bahrain.

(D.J. Munro)
for Secretary.

National Archives of Australia NAA: A1838, 780/1 PART 1

Executive Council of Australian Jewry

(The Official Organisation of Australian Jewry)

President:
Sydney D. Einfeld.

Senior Vice-President:
M. J. Ashkanasy, LLM., Q.C. (Vic.)

Hon. Treasurer:
Horace B. Newman.

Hon. Secretary:
Sam Karpin.

Vice-Presidents:
Gerald de Vahl Davis, B.Sc. Agr. (N.S.W.)
A. Breckler (W.A.)
A. Newhouse (Qld.)
Dr. E. A. Matison (S.A.)
H. J. Jacob (Tas.)

Constituents:
New South Wales Jewish Board of Deputies.
Victorian Jewish Board of Deputies.
West Australian Jewish Board of Deputies.
Queensland Jewish Board of Deputies.
South Australian Jewish Board of Deputies.
Hobart Hebrew Congregation.

Phone: MA 4423
Cables: Boarddep, Sydney.
SUITE 208, 243 ELIZABETH ST., SYDNEY.

31st August, 1953

2 SEP 1953
794/1
CANBERRA.

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Dear Sir,

Ref. No. 794/1.

I beg to refer to your letter of 22nd July and have pleasure in forwarding herewith copies of letters received by S.A. Zulaikha & Company from firms in Mecca and Bahrain.

Trusting that these will give the required information,

I am,

Yours faithfully,

PRESIDENT.

SDE:JS

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

S.A.ZULAIKHA & COMPANY
PTY. LTD.

EXPORTERS . . . . IMPORTERS . . . . COMMISSION AGENTS

Cables & Telegrams
"ZULAIKHA," SYDNEY
Telephones M 6048, M 6049

69-73 STRAND ARCADE
SYDNEY, N.S.W.
AUSTRALIA

Codes
BENTLEY'S 5TH EDITION
and A.B.C. 5TH EDITION

When replying please quote

REF. NO.

Copy of letter received from Jamil M.A.Kattan & Sons,
Mecca, 7th December, 1952.

Messrs. S.A.Zulaikha & Co.Pty.Ltd.,
SYDNEY.

Dear Sirs,

We received your letter dated the 18th November and also your cable dated the 12th November., making us an offer in Wheat and Wheat Flour. Thank you for that.

Of course a substantial business can be arranged mutually, but as it appears from the name of your organization, we are afraid it is a Jewish concern and we are forbidden to do with the Jews at all.

Will you please let us know about that if it is not so and our presumption is incorrect and this fact must be countersigned by the Chamber of Commerce or the Board of Trade of your side.

Immediately on receipt of this information we shall give you really good orders in your offered commodities.

Awaiting your earliest reply and thanking you.

Yours faithfully,

(signature)

True copy.

For and on behalf of
S.A.ZULAIKHA & CO. PTY. LIMITED

National Archives of Australia NAA: A1838, 780/1 PART 1

S.A.ZULAIKHA & COMPANY
PTY. LTD.

EXPORTERS .... IMPORTERS .... COMMISSION AGENTS

Cables & Telegrams
"ZULAIKHA," SYDNEY
Telephones M 6048, M 6049

When replying please quote

REF. NO.

Note Our New
Telephone Nos.
BL 3658
BL 3659

69-73 STRAND ARCADE
SYDNEY, N.S.W.
AUSTRALIA

Codes
BENTLEY'S 5TH EDITION
and A.B.C. 5TH EDITION

Copy of letter received from Haji Khalil Haji Murteza Dawani & Sons, Bahrain, Persian Gulf. 31st December,1952.

STRICTLY CONFIDENTIAL.

M/s. S.A.Zulaikha & Company Pty.Ltd.,
SYDNEY.

Dear Sirs,

We thank you for your letter of the 22nd December,1952. It is our belief that you may have now received the missing letter of the 4th inst.

From informations to hand, we learn that quite a good lot of goods exported by your goodselves as well as Bakhor have already been confiscated by the Saudi Arabian Government for reasons stated earlier in our letters. Since much of the goods imported by us were finding their markets in Saudi Arabia we are afraid in view of the drastic actions reported, business will greatly suffer. Since it has become impossible to do business in "Camel" Brand we suggest you change the name of the brand now to that of a balance as drawn below. Further under no circumstances you should print your name on the bags. Unless you are ready to comply as above business will be at a standstill.

In this connection we wish to enquire also whether it will be possible for you to mention any other name (as exporters - other than Zulaikha) in the manifesto. When the name Zulaikha appears on the bags they know that this is a jewish firm; instead we suggest you mention some other name similar to English names (which the spies of Saudi Arabian Government functioning in Bahrain will not be able to detect).

Your comments on this point is appreciated.

Yours faithfully,

(signature)

The marks we suggest instead of Camel should be a balance as under.

True copy. For and on behalf of S.A.ZULAIKHA & CO. PTY. LIMITED

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY
AHB.AC

794/1

6th August, 1953.

Sir,

I have the honour to acknowledge receipt of your letter 314/58L of the 31st July, asking for statistical data concerning Australia's exports to and imports from Middle East countries during the last three years.

Your enquiry has been referred to the Commonwealth Bureau of Census and Statistics in Canberra who will reply to you as soon as possible.

I have the honour to be,

Sir,

Your obedient servant,

(A.H. Body)
for Secretary.

The Consul-General for Lebanon,
527 New South Head Road,
DOUBLE BAY. N.S.W.

The Commonwealth Statistician,
Bureau of Census & Statistics,
CANBERRA. A.C.T.

Referred for favour of reply direct.

(D.J. Munro)
for Secretary.
Dept. of External Affairs,
Canberra.

Handed to Mr V. Day State 6/8/53

National Archives of Australia NAA: A1838, 780/1 PART 1

→ Mr MUNRO
E.R.

CONSULATE GENERAL OF LEBANON
IN AUSTRALIA

527 New South Hd. Rd., DOUBLE BAY

Tel : FM 3358

SYDNEY 31st July, 1953

DEPARTMENT OF EXTERNAL AFFAIRS
4 AUG 1953
CANBERRA.

In reply
please quote No.314/58L

Mr Barkell
Re enquiry from States
Ltr 3/8

Dear Mr. Body,

I have the honour to inform you that this Consulate is interested in having as many data as possible about Australia's Trade with the various Countries of the Middle East.

Could you kindly supply me, through the Department of Trade & Customs, with information concerning Australia's exports and Imports to and from the Middle Eastern States during the last three years ?

Any published or unpublished material communicable shall be deeply appreciated.

I have the honour to be,

Sir,

Your obedient servant,

Edward GHORRA,
Consul General.

Register
Volume 5
ER/JS
Ltr 3/8

ER

Mr Munro
Could you please let us have a reply
& the pleasure
acknowledged
5 taken any
action.
Cook
C.P.
3/8

A.H. BODY, Esquire,
Department of External Affairs,
CANBERRA.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS
28 JUL 1953
794/1
CANBERRA.

TEMPLE BAR 6611—2435

AUSTRALIAN EXTERNAL AFFAIRS OFFICE,
AUSTRALIA HOUSE.
LONDON, W.C.2.

3/12/65

17th July, 1953.

Memo. No. 641/53

MEMORANDUM for - The Secretary,
Department of External Affairs,
CANBERRA, A.C.T.

Jewish Trade with Saudi-Arabia

With reference to your memorandum No.427 of 1st July, 1953, on file No. 794/2, please see now our memo. 598/53 of 3rd July, 1953. Our last mentioned memorandum was based on a telephone conversation with the officer who is now handling this matter in the Commonwealth Relations Office. We have now received a confirmatory letter from him (copy attached) from which it appears that no approach has yet been made to the United Kingdom Ambassador and that the request for additional information emanated from the Foreign Office itself. You will also note that the enclosed letter does not ask specifically for the information mentioned in paragraph 2A of our memorandum, but we still consider that there would be advantage in supplying this if possible.

The United Kingdom official concerned was most apologetic about the delay in replying to our request, and he has promised that he will do all he can to accelerate action as soon as we can pass the additional information to him.

(A. J. Eastman)
for EXTERNAL AFFAIRS OFFICER

(Encl.)

R/S with reply from Canfield — our memo of 22/7/53

National Archives of Australia NAA: A1838, 780/1 PART 1

COMMONWEALTH RELATIONS OFFICE,
DOWNING STREET,
LONDON, S.W.1.

COPY

WES. 82/291/1

6th July, 1953.

Dear Frank,

I spoke to Alan Eastman last week about the letters which you wrote to R.C. Blackham of the Foreign Office on 15th May and 30th June (reference FBC/BC 3/12/65) on the question of discrimination by the Saudi-Arabians against Jewish firms in Australia.

As I told Alan, although it seems unlikely to us that any satisfaction will be obtained from the Saudi-Arabian Government, we would of course wish to do anything possible to assist in this matter. But I am afraid that before we can ask our Ambassador in Jedda to make representations, we shall have to ask you to send us some information in addition to that which you enclosed with your letter of 15th May. We would need a definite statement of the circumstances in which the alleged discrimination took place, together with details of the dates, places and the goods concerned, so that the complaint can be most effectively laid before the Saudi Arabian authorities.

We very much regret having to ask you for further information at this late date and hope that it will not be difficult to obtain.

Yours sincerely,

(Sgd.) R. Ross.

R.B.Cooper, Esq.,
Australia House.

National Archives of Australia NAA: A1838, 780/1 PART 1

---2435

3/12/65

17th July, 1953.

Memo. No. 641/53

MEMORANDUM for - The Secretary,
Department of External Affairs,
CANBERRA, A.C.T.

Jewish Trade with Saudi-Arabia

With reference to your memorandum No.427 of 1st July, 1953, on file No. 794/2, please see now our memo. 598/53 of 3rd July, 1953. Our last mentioned memorandum was based on a telephone conversation with the officer who is now handling this matter in the Commonwealth Relations Office. We have now received a confirmatory letter from him (copy attached) from which it appears that no approach has yet been made to the United Kingdom Ambassador and that the request for additional information emanated from the Foreign Office itself. You will also note that the enclosed letter does not ask specifically for the information mentioned in paragraph 2A of our memorandum, but we still consider that there would be advantage in supplying this if possible.

The United Kingdom official concerned was most apologetic about the delay in replying to our request, and he has promised that he will do all he can to accelerate action as soon as we can pass the additional information to him.

(A. J. Eastman)
for EXTERNAL AFFAIRS OFFICER

(Encl.)

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY
LDT:EMN

794/1

22nd July, 1953.

Dear Mr. Einfield,

I am directed by the Minister for External Affairs to refer to your letter to him of May 15th, and previous correspondence about alleged trade discrimination by the Saudi Arabian Government.

As you are aware, arrangements had been made for the United Kingdom to make representations in this matter to the Saudi Arabian Government.

We have now been advised that, whilst the United Kingdom Ambassador at Jedda has indicated that he will be happy to take up the matter on our behalf, to have any chance of success, he would need information more specific than that contained in the Company's letter of January 7th to you.

What the Ambassador has in mind are:

(a) Copies of letters or telegrams, received from the Saudi Arabian importers or agents refusing to do business with Jewish firms because of the Saudi Arabian Government's ban on such transactions.

(b) Specific details of any shipments confiscated by the Saudi Arabian authorities, e.g. the nature, quantity and date of such shipments, consignee's name, port of unloading, and any other relevant information.

Any information of this character you may be able to secure from S.A. Zulaikha and Co. Pty. Ltd., would be appreciated in order that the matter may be pursued.

Yours faithfully,

(D.J. Munro)
for Secretary.

Sydney D. Einfield, Esq.,
President,
Executive Council of Australian Jewry,
Suite 208,
243 Elizabeth Street,
SYDNEY. N.S.W.

National Archives of Australia NAA: A1838, 780/1 PART 1

TEMPLE BAR 2435

DEPARTMENT OF EXTERNAL AFFAIRS
14 JUL 1953
194/1
CANBERRA

AUSTRALIAN EXTERNAL AFFAIRS OFFICE,
AUSTRALIA HOUSE,
LONDON, W.C.2.

3/12/65

Memo. No. 598/53

3rd July, 1953.

MEMORANDUM for - The Secretary,
Department of External Affairs,
CANBERRA, A.C.T.

Jewish Trade with Saudi Arabia

Upon receipt of your memorandum No. 288 of 8th May, a copy of Zulaikha & Company's letter to the Executive Council of Australian Jewry was forwarded to the Foriegn Office with a request that Her Majesty's Ambassador at Jedda be asked to make appropriate representations to the Saudi Arabian authorities.

A reminder by us on 30th June has elicited the reply that, while Her Majesty's Ambassador would be glad to take the matter up on our behalf, the Ambassador considers that, to have any chance of success, he would need to have more specific information than that contained in the company's letter of 7th January. What the Ambassador has in mind are -

(a) copies of letters and/or telegrams received from Saudi Arabian importers or agents refusing to do business with Jewish firms on account of the Saudi Arabian Government's ban on such transactions

(b) specific details of any shipments confiscated by the Saudi Arabian authorities, e.g. the nature, quantity and date of such shipments, consignee's name, port of unloading, and any other relevant information.

(F. B. Cooper)
for EXTERNAL AFFAIRS OFFICER

National Archives of Australia NAA: A1838, 780/1 PART 1

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY
MHM:EM

794/1

21st May, 1953.

MEMORANDUM for :

The Comptroller-General,
Department of Trade and Customs,
CANBERRA, A.C.T.

Attached is a copy of a letter dated 16th January, 1953, addressed to the Minister for External Affairs by the President of the Executive Council of Australian Jewry relative to a letter from S.A. Zukaikha & Co. Pty. Ltd. alleging trade discrimination on the part of Saudi Arabia against an Australian firm of Jewish ownership. Copies of the Minister's letters of 9th Apil, and 6th May, 1953 to the Council are also attached.

The above correspondence is forwarded at the request of S.A. Zulaikha & Co. Pty. Ltd. in connection with the Company's application of 11th May, 1953, for an increased import quota. Copies of the correspondence with the Company are also enclosed for your information.

(D.J. Munro)
for Secretary.

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY
MHM:EM

794/1

21st May, 1953.

Dear Sir,

I am directed by the Minister for External Affairs to acknowledge receipt of your letter of 11th May, 1953, in connection with your application to the Comptroller-General, Department of Trade and Customs, for an increased import quota.

As requested, the Department of Trade and Customs has been advised of your case as presented by the Executive Council of Australian Jewry on your Company's behalf concerning trade discrimination on the part of Saudi Arabia.

Yours faithfully,

(D.J. Munro)
for Secretary.

The Managing Director,
D.A. Zulaikha & Co. Pty. Ltd.,
69-73 Strand Arcade,
SYDNEY, N.S.W.

National Archives of Australia NAA: A1838, 780/1 PART 1

Executive Council of Australian Jewry

(The Official Organisation of Australian Jewry)

President:
Sydney D. Einfeld.

Senior Vice-President:
M. J. Ashkanasy, LLM., Q.C. (Vic.)

Hon. Treasurer:
Horace B. Newman.

Hon. Secretary:
Sam Karpin.

Vice-Presidents:
Gerald de Vahl Davis, B.Sc. Agr. (N.S.W.)
A. Breckler (W.A.)
A. Newhouse (Qld.)
Dr. E. A. Matison (S.A.)
H. J. Jacob (Tas.)

Constituents:
New South Wales Jewish Board of Deputies.
Victorian Jewish Board of Deputies.
West Australian Jewish Board of Deputies.
Queensland Jewish Board of Deputies.
South Australian Jewish Board of Deputies.
Hobart Hebrew Congregation.

OFFICE OF THE MINISTER FOR EXTERNAL AFFAIRS
REC'D. 18 MAY 1953
CANBERRA

DEPARTMENT OF EXTERNAL AFFAIRS
19 MAY 1953
7941
CANBERRA.

'Phone: MA 4423
Cables: Boarddep, Sydney.
SUITE 208, 243 ELIZABETH ST., SYDNEY.

15th May, 1953.

The Right Honourable R.G.Casey,C.H.,D.S.O.,M.C.,M.P.,
Minister for External Affairs,
Parliament House,
CANBERRA. A.C.T.

Dear Sir,

I desire to thank you cordially for your letter of 7th inst. and your advice that representations will be made concerning trade discrimination to the Saudi Arabian Government through the good offices of the United Kingdom.

I look forward to the receipt of your further advice in due course.

I am,

R/S. 18/5 19/5

Yours sincerely,

PRESIDENT.

Department of External Affairs:

For information and file. Copy on Minister's file.

(S.M Fox)
SSS, JS 18.5.53.

National Archives of Australia NAA: A1838, 780/1 PART 1

EXTERNAL AFFAIRS.

DEPARTMENT OF EXTERNAL AFFAIRS
Received 18 MAY 1953
File No. 794/1

15th May, 1953.

Secretary,
Department of External Affairs,
CANBERRA.

Please refer to your file 794/1, which I think is on the same subject.

Would you be good enough to reply direct ?

Loveday
(H.M.Loveday)

Melbourne.

Int. Marshall Islands Fiji Ireland correspondence Solomon Islands Gilbert Islands 19/5

Action Completed. 21/5/53.

OMPANY

MMISSION AGENTS

Codes
BENTLEY'S 5TH EDITION
and A.B.C. 5TH EDITION

11th May, 1953.

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anberra, and
ue, the Minister
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rely,

& CO. PTY. LIMITED

National Archives of Australia NAA: A1838, 780/1 PART 1

S.A. ZULAIKHA & COMPANY PTY. LTD.

EXPORTERS . . . . IMPORTERS . . . . COMMISSION AGENTS

Cables & Telegrams
"ZULAIKHA," SYDNEY
Telephones M 6048, M 6049

69-73 STRAND ARCADE
SYDNEY, N.S.W.
AUSTRALIA

Codes
BENTLEY'S 5TH EDITION
and A.B.C. 5TH EDITION

When replying please quote

REF. NO.

11th May, 1953.

Mr. R.G. Casey,
Minister for External Affairs,
CANBERRA. A.C.T.

Dear Sir,

I enclose herewith a copy of an application to the Comptroller General of Trade & Customs, Canberra, and request you to kindly advise your colleague, the Minister for Trade & Customs, of our case as presented by the Jewish Board of Deputies on our behalf.

I remain,

Yours sincerely,

For and on behalf of
S. A. ZULAIKHA & CO. PTY. LIMITED

National Archives of Australia NAA: A1838, 780/1 PART 1

S.A.ZULAIKHA & COMPANY
PTY. LTD.

EXPORTERS . . . . IMPORTERS . . . . COMMISSION AGENTS

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"ZULAIKHA," SYDNEY
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69-73 STRAND ARCADE
SYDNEY, N.S.W.
AUSTRALIA

Codes
BENTLEY'S 5TH EDITION
and A.B.C. 5TH EDITION

When replying please quote

REF. NO.

11th May, 1953.

The Comptroller General of Trade & Customs,
Canberra,
A.C.T.

Dear Sir,

We take the opportunity of addressing you this letter in the hope that you will consider our case on its merit and favour us with your approval to increase our import quota.

We have been for the last 5 years concentrating our efforts on exports to various countries, mostly in the Middle East, and consequently our import activities were rather small during the basic year. Our present quota under Category B is approximately £720. per annum, or about £180. per quarter.

Our export turnover amounted roughly to £400,000 annually, half of which £200,000, was derived from Arabian countries in Saudi Arabia and Persian Gulf ports.

Unfortunately, we have come to understand that Arabian countries, especially in Saudi Arabian Kingdom, has passed a decree prohibiting imports of goods from Jewish traders overseas. This decree has included us as exporters, and consequently we have practically lost our trade with the Persian Gulf Ports and Arabian countries.

We have made the necessary representation through the Jewish Board of Deputies and the matter is receiving the attention of our Minister for External Affairs, Mr. R.G.Casey.

It is our desire to remain in business and maintain our staff till such time as relaxation of imports from Jewish traders overseas will take place, and request you to kindly increase our quota to enable us to import £25,000 worth of goods annually. We hope that if we are granted this increase we will be able to maintain our activities and overhead expenses, as otherwise we will be faced with the prospect of closing our business.

P.T.O.

National Archives of Australia NAA: A1838, 780/1 PART 1

S.A.ZULAIKHA & COMPANY
PTY. LTD.

EXPORTERS . . . . IMPORTERS . . . . COMMISSION AGENTS

Cables & Telegrams
"ZULAIKHA," SYDNEY
Telephones M 6048, M 6049

69-73 STRAND ARCADE
SYDNEY, N.S.W.
AUSTRALIA

Codes
BENTLEY'S 5TH EDITION
and A.B.C. 5TH EDITION

When replying please quote

REF. NO.

11th May, 1953.

Our main interest to import goods which are not manufactured in this country, is Indian Cotton Textiles, including calico for the purpose of selling locally.

We trust that our application will be received favourably,

and remain,

Yours faithfully,
For and on behalf of
S. A. ZULAIKHA & CO. PTY. LIMITED

Copy to: Mr.R.G.Casey,
Minister for External Affairs,
Canberra.

National Archives of Australia NAA: A1838, 780/1 PART 1

file 794/1

R/S 31/5

Memo No. 337

8th May, 1953.

MEMORANDUM FOR:

The External Affairs Officer,

LONDON.

Reference is made to your telegram No. 1469 of 6th May, 1953, concerning discrimination by Saudi Arabia against overseas Jewish firms.

The case submitted to the Department by the Executive Council of Australian Jewry was that of S.A. Zulaikha and Co. Pty. Ltd. The only details available are given in the Company's letter of 7th January, 1953 to the Executive Council of Australian Jewry, copy of which is attached.

In the event that the United Kingdom Ambassador in Jedda decided it would not be advisable, in the current political situation, for him to undertake representations on our behalf, the advice of the United Kingdom Authorities would be appreciated as to whether the assistance of the United States might be sought in the matter.

Signed J. Plimsoll, initialled by the Minister

(J. Plimsoll)
Acting Assistant Secretary.

memo 337
Minuted to Washington for info with ref. to your memo 618/53 of 28th April, 1953
R.J. Munro

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY
DJM.MS

794/1

6/5/53.

Dear Mr. Einfeld,

I refer to your letter of 29th April and to our previous correspondence concerning trade discrimination by Saudi Arabia.

Both the United Kingdom and United States authorities have been consulted in the matter and, in the light of their advice, I have arranged for representations to be made to the Saudi Arabian Government through the good offices of the United Kingdom.

I will advise you further as information becomes available.

I am,

Yours sincerely,

(R. G. CASEY)

file 6/5/53

Sydney D. Einfeld, Esq.,
President,
Executive Council of Australian Jewry,
Suite 208,
243 Elizabeth Street,
SYDNEY. N.S.W.

Tel. Tunisia - Ding to Canada 6/5
AR

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

HP:MB 794/1

I. 6060

Dated: 6th May, 1953.
1955

FROM:

Rec'd: 7th May, 1953.
0830

Australian High Commissioner's Office,
L O N D O N.

CONFIDENTIAL.

Addressed Canberra 1469, repeated Saving Washington 37.

From External.

Your 1547. Jewish trade with Saudi Arabia.

Foreign Office consider it essential for proposed representations to include specific instances of prohibitions imposed on Australian farms. Please forward.

2. Despite Washington reports (Savingram 378) of modifications of ban in response to American representations Foreign Office is sceptical of achieving similar result. They point out that relations with Saudis are already very strained over Buraimi frontier dispute.

3. Foreign Office emphasise that whilst they would be willing to forward our request to Jedda they must leave to British Ambassador decision whether or not to approach Saudis in the light of current political situation.

MIN. & DEPT. E.A. (794/1)
C. & A. (CANB.)
P.M's.

7th May, 1953.

SEC A/Ss Cr(L & T) UN ER@ WEST A E CEN PI

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

RESTRICTED.

SHA:GG

ACTION COPY

O.5036/87.

Dated 6th May, 1953.
1545.

Australian High Commissioner's Office,
L O N D O N.....1347.

Australian Embassy,
W A S H I N G T O N.....350.

RESTRICTED.

For External.

Your 1246.

Jewish trade with Saudi Arabia.

Would appreciate United Kingdom making representations on our behalf. Please suggest that they first discuss with American authorities in Jiddah as recommended in memorandum 618 from Washington.

MIN.AND DEPT.E.A.(794/1)
C.AND.A.(CANB)
P.M'S.

6th May, 1953.

SEC A/Ss ERG WEST A E CEN PI

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

HP:MB

ACTION COPY

I. 6060

Dated: 6th May, 1953.
1955

FROM:

Rec'd: 7th May, 1953.
0830

Australian High Commissioner's Office,
L O N D O N.

CONFIDENTIAL.

Addressed Canberra 1469, repeated Saving Washington 37.

From External.

Your 1347. Jewish trade with Saudi Arabia.

Foreign Office consider it essential for proposed representations to include specific instances of prohibitions imposed on Australian farms. Please forward.

2. Despite Washington reports (Savingram 378) of modifications of ban in response to American representations Foreign Office is sceptical of achieving similar result. They point out that relations with Saudis are already very strained over Buraimi frontier dispute.

3. Foreign Office emphasise that whilst they would be willing to forward our request to Jedda they must leave to British Ambassador decision whether or not to approach Saudis in the light of current political situation.

MIN. & DEPT. E.A. (794/1)
C. & A. (CANB.)
P.M's.

7th May, 1953.

SEC A/Ss Cr(L & T) UN ER@ WEST A E CEN PI

National Archives of Australia NAA: A1838, 780/1 PART 1

Australian High Commissioner's Office, London.

For External

RESTRICTED

Your 1246. Jewish trade with Saudi Arabia.

Would appreciate U.K. making representations on our behalf. Please suggest that they first discuss with American authorities in Jiddah as recommended in memorandum 618 from Washington.

794/1 DJM.MS 6.5.53

National Archives of Australia NAA: A1838, 780/1 PART 1

Executive Council of Australian Jewry

(The Official Organisation of Australian Jewry)

DEPARTMENT OF EXTERNAL AFFAIRS
4 MAY 1953
794/1
CANBERRA.

1 MAY 1953

President:
Sydney D. Einfeld.

Senior Vice-President:
M. J. Ashkanasy, LL.M., Q.C. (Vic.)

Hon. Treasurer:
Horace B. Newman.

Hon. Secretary:
Sam Karpin.

Vice-Presidents:
Gerald de Vahl Davis, B.Sc. Agr. (N.S.W.)
A. Breckler (W.A.)
A. Newhouse (Qld.)
Dr. E. A. Matison (S.A.)
H. J. Jacob (Tas.)

Constituents:
New South Wales Jewish Board of Deputies.
Victorian Jewish Board of Deputies.
West Australian Jewish Board of Deputies.
Queensland Jewish Board of Deputies.
South Australian Jewish Board of Deputies.
Hobart Hebrew Congregation.

Phone: MA 4423
Cables: Boarddep, Sydney.
SUITE 208, 243 ELIZABETH ST.,
SYDNEY.

29th April, 1953.

The Right Hon. R. G. Casey, C.H., D.S.O., M.C., M.P.,
Minister for External Affairs,
Parliament House,
CANBERRA. A.C.T.

Dear Mr. Casey,

Trade Discrimination by Saudi Arabia.

I thank you for your letter of 9th April, on the above subject contents of which have been noted with appreciation.

Looking forward to your further communication,

I am,

Yours sincerely,

PRESIDENT.

SDE/gg

→ Dept
for information
JW 1/5
ER

National Archives of Australia NAA: A1838, 780/1 PART 1

RESTRICTED

In reply quote 118/10

AUSTRALIAN EMBASSY,
WASHINGTON, D.C.

DEPARTMENT OF EXTERNAL AFFAIRS
4 MAY 1953
794/1
CANBERRA.

28th April, 1953.

MEMORANDUM No. 618/53

MEMORANDUM for:

The Secretary,
Department of External Affairs,
Canberra, A.C.T.
Australia.

We refer to your memorandum no. 247 of 14th April, 1953, (your file 794/1) about the prohibition by the Saudi Arabian Government on trade with Jewish firms abroad.

The letter addressed to the Executive Council of Australian Jewry on 7th January, 1953, by S.A. Zulaikha and Company, Pty, Ltd. was shown to Mr. Troxel in the Office of Near Eastern Affairs, who expressed the view that the case was in the same general category as that referred to in paragraph 4 of our telegram no. 378 of 10th April, 1953. Mr. Troxel said that since then the Department of State had received information indicating that some banks on the East Coast of Saudi Arabia had apparently not heard of the modification of the Saudi Arabian Government's degree and had refused to honour a letter of credit for Mr. William Bernstein, an American citizen of Jewish race. This case was being handled by the Embassy on an informal basis and was not being taken up with the Saudi Arabian Government. The American Embassy in Jiddah was asking banks in the West Coast of Saudi Arabia with whom they had dealt in the earlier case, to inform the banks on the East Coast of the position. In talking to Saudi Arabian banks the American Embassy was emphasizing that the firm of William Bernstein was not on the lists referred to in paragraph 3 of our telegram no. 378.

Mr. Troxel thought that, if we asked the United Kingdom authorities to take up the Bernstein case on our behalf, it might be helpful if we suggested that they speak to the American authorities in Jiddah before proceeding.

He said it was possible, but not very likely, that this case was in the category referred to in paragraph 5 of our telegram 378, namely, that of Arab firms' reluctance to buy from firms of Jewish ownership irrespective of any Government boycott.

A copy of this memorandum is being sent to the External Affairs Office, London.

G.N. Upton,
Second Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

RESTRICTED

118/10

28th April, 1953.

MEMORANDUM No. 618/53

MEMORANDUM for:

The Secretary,
Department of External Affairs,
Canberra, A.C.T.
Australia.

We refer to your memorandum no. 247 of 14th April, 1953, (your file 794/1) about the prohibition by the Saudi Arabian Government on trade with Jewish firms abroad.

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A copy of this memorandum is being sent to the External Affairs Officer, London.

G.N. Upton,
Second Secretary

GNU:jmcg

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

RESTRICTED.

GL/MD

I. 5127

Dated 17th April, 1953, 1615

Rec'd 18th April, 1953. 0900

FROM:

Australian High Commissioner's Office,
LONDON.

12:6. RESTRICTED.

Repeated Washington 44.

From External.

Further your 1047 (268 to Washington).

Jewish Trade with Saudi Arabia.

Foreign Office advise they would be prepared to make representations on Australia's behalf, but in their experience, prospects of any modification practically nil. Saudi Arabian prohibition against United Kingdom firms often in excess of Arab League Directive, and at times, imposed in cases where not imposed by other Arab countries.

MIN. & DEPT. E.A.
P.M.'S.

18th April, 1953

SEC A/S's UN ER WEST A E CENT PI

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY
DJM:EM

File 794/1

Memo. No. 247

14th April, 1953.

MEMORANDUM for :

The Australian Embassy,
WASHINGTON.

Reference is made to your Telegram No. 578 of 11th April, 1953, concerning the prohibition by the Saudi Arabian Government on trade with Jewish firms abroad.

The particular case brought under notice by the Executive Council of Australian Jewry was that of S.A.Zulaikha and Company, Pty.Ltd., Sydney (Exporters, Importers, Commission Agents). The only details available are given in the Company's letter of 7th January, 1953, to the Executive Council of Australian Jewry, copy of which is attached.

Please transmit these particulars to the State Department. Any further comments they may offer would be appreciated.

(D.J. Munro)
for Secretary.

National Archives of Australia NAA: A1838, 780/1 PART 1

Memo. No. ....

14th April, 1953.

MEMORANDUM for :

The Australian Embassy,
WASHINGTON.

Reference is made to your Telegram No. 378 of 11th April, 1953, concerning the prohibition by the Saudi Arabian Government on trade with Jewish firms abroad.

The particular case brought under notice by the Executive Council of Australian Jewry was that of S.A.Zulaikha and Company, Pty.Ltd., Sydney (Exporters, Importers, Commission Agents). The only details available are given in the Company's letter of 7th January, 1953, to the Executive Council of Australian Jewry, copy of which is attached.

Please transmit these particulars to the State Department. Any further comments they may offer would be appreciated.

(D.J. Munro)
for Secretary.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

RESTRICTED.

GL:GL

I. 4820

Dated: 11th April, 1953.
0249
Rec'd: 12th April, 1953.
0900

FROM:

Australian Embassy,
WASHINGTON.

378. RESTRICTED.

Repeated to External London, Savingram.

Your 268.

State Department Office of Near Eastern Affairs advise that Government decree issued early 1952 prohibited trade with firms of Jewish ownership. Decree understood to have applied generally but official had no text available.

About April, 1952 American Embassy, Jiddah, protested pointing out many Jews in the United States were not Zionists and that decree conflicted with generally accepted principles of embargo. The Saudi Arabian authorities promised to remedy the situation and although apparently not formally withdrawn, decree had not been enforced.

State Department Official informed us that as a result of decree issued on 6th May, 1952 prohibitions were in force against certain companies alleged to have plants or regional branches in Israel. This was along the lines of embargoes of other Arab countries.

In July, 1952 the State Department received specific complaint of Saudi Arabian Bank holding up letter of credit to American firm allegedly of Jewish ownership. After representations the letter of credit was passed by the Bank who was believed to have been unaware of Saudi Arabian action following American representations. No other complaint had been received by the State Department.

Official also referred to reluctance of Arab firms irrespective of any government boycott to buy from firms of Jewish ownership and action towards that end by Chambers of Commerce in Arab countries. He commented that it was difficult to do anything about this.

Official said that State Department would be glad to learn whether Executive Council of Australian Jewery had specific case in mind.

MIN. & DEPT. E.A.
P.M.'s

12th April, 1953.

SEC A/Ss UNO ER WEST A CEN PI

Mr Munro:
We should see Washington details by bag. [illegible] 13/4/53

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

RESTRICTED.

CABLEGRAM.

I. 4820

OL:GL

Dated: 11th April,1953.
0249
Rec'd: 12th April,1953.
0900

FROM:

Australian Embassy,
WASHINGTON.

378. RESTRICTED.

Repeated to External London, Savingram.

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Official said that State Department would be glad to learn whether Executive Council of Australian Jewery had specific case in mind.

MIN. & DEPT. E.A.
P.M.'s

12th April,1953.

SEC A/Ss UNO ER WEST A CEN PI

Let me have the file back 13/4

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

RESTRICTED.

GL - MC

I.4818.

Dated 10th April, 1953.
2045.
Rcdd. 11th April, 1953.
0930.

FROM:

Australian High Commissioner's Office,
LONDON.

1182. RESTRICTED.

From External.

Your 1047.

Have not yet been able to secure considered reply but learn that United Kingdom have made numerous approaches to Saudis in respect of restrictions placed on United Kingdom firms with Jewish capital. Saudis have been 'completely and utterly' uncompromising.

2. Expect to be able to reply fully on Monday.

MIN. & DEPT. E.A.

P.M.'S.

11th April, 1953.

SEC A/S's UNDER WEST A E CENTRAL PI

National Archives of Australia NAA: A1838, 780/1 PART 1

DJM/SCB

File 794/1

CANBERRA, A.C.T.

9th April, 1953

Dear Mr. Einfeld,

With further reference to your letter of 16th January concerning alleged trade discrimination by Saudi Arabia against S.A. Zulaikha & Co. Pty. Ltd., an Australian firm of Jewish ownership, I have had enquiries made through the Commonwealth Departments handling trade matters, and am in a position to assure you that no approach has been made by the Saudi Arabian Government for a list of Jewish exporters in Australia, nor has any such list been supplied to the Saudi Arabian Government.

As regards your suggestion that an approach be made to the Saudi Arabian Authorities to secure some modification of the prohibition against trading with Jews in other countries, you are perhaps not aware that Australia does not maintain any representation in Saudi Arabia. Apart from not being fully aware of the present situation regarding Saudi Arabia's external trading practices, the lack of an accredited Australian representative renders it difficult to make representations likely to lead to any practical result. The matter is being examined to determine the best way to make representations, and I shall communicate with you again as soon as possible.

I am,

Yours sincerely,

(Sgd.) R.G.C.

(R. G. Casey)

Sydney D. Einfeld, Esq.,
President,
Executive Council of Australian Jewry,
Suite 208,
243 Elizabeth Street,
SYDNEY, N.S.W.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

FROM: Canberra, 9th April, 1953.
D.5365/K
344D

TO:

Australian Embassy,
WASHINGTON.....365.

Australian High Commissioner's Office,
L O N D O N.....1047. (For External).

RESTRICTED. URGENT.

1. The Executive Council of Australian Jewry has alleged that Saudi-Arabia has prohibited trade with Australian firms of Jewish ownership. Council state that United States State Department last year secured some modification of prohibition and suggests we make representations to similar end.

2. For Washington:

Please ascertain facts of matter from State Department.

3. For London:

Please ascertain whether United Kingdom has taken any action in regard to trading with British firms of Jewish ownership and their advice as to whether it would be opportune to make representations on our behalf if this course were decided upon. We understand United Kingdom has other difficulties with Saudi-Arabia, and it might be preferable for Australian Ambassador Washington to raise matter with Saudi-Arabian Ambassador there.

Min. & Dept. of External Affairs.
P.M.'s.

9th April, 1953.

SEC A/Sa UN ER WEST A E GEN PI

National Archives of Australia NAA: A1838, 780/1 PART 1

(1) The Australian Embassy, WASHINGTON.

(2) The External Affairs Officer, LONDON.

RESTRICTED, PRIORITY.

The Executive Council of Australian Jewry has alleged that Saudi-Arabia has prohibited trade with Australian firms of Jewish ownership. Council states that U.S. State Department last year secured some modification of prohibition and suggests we make representations to similar end.

FOR WASHINGTON. (Only) Please ascertain facts of matter from State Department.

FOR LONDON. (Only) Please ascertain whether United Kingdom has taken any action in regard to trading with British firms of Jewish ownership and their advice as to whether it would be opportune to make representations on our behalf if this course were decided upon.

R/S 18/x

R 8/x

National Archives of Australia NAA: A1838, 780/1 PART 1

COMMONWEALTH OF AUSTRALIA.

TELEPHONE CANBERRA F 0611.
TELEGRAMS
SECRETARY CANBERRA.
PLEASE ADDRESS REPLY TO "THE SECRETARY"
AND QUOTE 545/1/5

PM:LM

DEPARTMENT OF COMMERCE AND AGRICULTURE.
CANBERRA, A.C.T.

Rec'd 31 MAR 1953
File No. 794/1

30th March, 1953.

MEMORANDUM for:

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

I refer to your memorandum 794/1 dated 3rd February regarding alleged discrimination against an Australian firm of Jewish ownership in the shipment of flour to Saudi Arabia.

As far as can be ascertained this Department has not received any approach from the Saudi Arabian government for any list of names of Jewish exporters in Australia, nor has any such list been supplied by this Department to the Saudi Arabian government.

J. G. Crawford

(J. G. Crawford)
Secretary.

Asst Secretary
Trade Controls
advise that dept
has received no
such request

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

Mr Shaw, → E.R. 794/1

I suggest we send a note like this to the Minister in case he should have any doubt as to where the Australian lies

30/3

A1838 Washington 92 31-3-54

FWT/SCB

738/9/1

COPY FOR FILE 794/1

23rd March, 1953

MEMORANDUM for:

The Comptroller-General,
Department of Trade and Customs,
CANBERRA, A.C.T.

IRAQ - AUSTRALIAN IMPORT CONTROLS ON DATES

With reference to your memorandum 52/H/11512 of December 15, 1952 on the above, I enclose a copy of a letter 9/Iraq of January 8, 1953 from the Consul-General of Lebanon. This letter is in reply to that in which we conveyed to the Consul-General the substance of your memorandum 52/H/11512.

D. J. Munro

(D. J. Munro)
for Acting Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

(COPY)

8th January, 1953

Ref: 9/Iraq

Sir,

I have the honour to acknowledge receipt of your letter Ref:738/9/1 of the 20th December, 1952, contents of which I have communicated to the Government of Iraq.

Nevertheless, I should be grateful if you would kindly keep me informed of any development that might occur, in the future, in the relaxation of the import restrictions and specially in those governing importation of dates from Iraq.

I have the honour to be,

Sir,

Your obedient Servant,

Edward Ghorra
Consul-General.

Mr. A. H. Tange,
Assistant Secretary,
Department of External Affairs,
CANBERRA, A.C.T.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM. 794/1

GG:MB

O. 3164

Sent: 20th March, 1953.
1225

TO:

Australian Legation,
CAIRO.

37. UNCLASSIFIED.

Commerce.

Visit as from April 15th approximately approved. Suggest you consider a longer visit unless present itinerary gives adequate coverage to each country. Work programme will be forwarded to arrive by or before April 15th.

Please advise firm dates.

C. & A. (CANB.)(542/10/8)
P.M'S.

20th March, 1953.

ER CEN PI ADMIN

National Archives of Australia NAA: A1838, 780/1 PART 1

ECOSOC 16/Item 21

QUESTION OF ASSISTANCE TO LIBYA

Document:

(Note to be issued by the Secretary-General E/ not yet received).

Background:

1. In it Resolution 389 (V) the General Assembly in December 1950, noted that war damage in Libya represented a major economic problem in relation to the establishment of an independent Libya; and instructed the Secretary-General to study the problem in connection with the technical and financial assistance which Libya might request from the United Nations and to report to the Sixth Session of the Assembly.

2. The Report (document A/2000) noted, inter alia, that the former Italian colony of Libya was a theatre of extensive military operations during the last war and suffered severe property damage as a result. Many of its public utilities, installations and private properties were badly damaged and the Administering Powers were unable to devote funds to reconstruction during the war years and thereafter. The Report which does not pretend to give a full analysis of the war damages suffered by Libya, estimated the total damages at about £12,500,000.

3. In the Second Committee of the Sixth General Assembly a resolution submitted by the United Kingdom and France (A/C. 2/L 150/ Rev.1) was adopted by 44 (Australia)-0-5. It invited the Secretary-General and the agencies participating in the Technical Assistance Board to give sympathetic consideration to requests of the Libyan Government for assistance with economic development programmes which would strengt en the Libyan economy, including the repair or reconstruction of damaged property and installations, public and private, and, in this connection, to appoint, as requested by the Libyan Government, any additional experts that might be required to collect the necessary data to complete the survey of the problem of war damages, and to make recommendations.

4. The chief point at issue in this debate was whether the question of war damage should be treated as a separate question or whether (as the majority finally felt) it should be examined in the general context of Libya's economic rehabilitation and development. It was felt that the assistance of technical experts already at work in Libya rather than a new and separate group should be obtained in respect of the special problem of war damage. The Resolution 529 (VI) was adopted (30-0-6) at the Plenary Session on 29th January.

5. In the Ad Hoc Political Committee the question of Libya's financial arrangement with the United Kingdom was the subject of attack, in particular the provisions whereby the United Kingdom guaranteed to make good the Libyan budget deficit provided the United Kingdom were consulted regarding Libyan economic development programmes and that the senior

National Archives of Australia NAA: A1838, 780/1 PART 1

permanent official in the Libyan Finance Ministry were nominated by the United Kingdom. Acrimony centred around a Chilean proposal that the Secretary-General be requested to give the Economic and Social Council the assistance necessary to enable it to carry out the studies pertaining to Libya and to examine, at Libya's request, the possibility of appointing a financial officer within the terms of the United Nations technical assistance programme to co-ordinate the receipt and supervise the expenditure of sums made available to Libya for meeting deficits in the normal administrative budgets. The reference to the possible appointment of a financial officer was later withdrawn by the Chilean representative.

6. The Australian representative intervened in the debate on behalf of the United Kingdom criticising the Chilean proposals mainly on the ground that they constituted an interference with the sovereign rights of the Libyan Government to conclude whatever sort of international financial arrangements it saw fit. This attitude was supported by both the United Kingdom and the United States representatives, who together with the Prime Minister of Libya, pointed out that provision had been made by the Libyan Government for all states who wished to give assistance to the new United Kingdom of Libya to do so within the framework of United Nations technical assistance programmes and other financial arrangements concluded by the Libyan Government.

7. As the result of these discussions Resolution 515 (VI) was adopted at the Plenary Session on the 1st February. It requested the economic and Social Council, inter alia, to study in consultation with Libya, ways and means by which United Nations could furnish additional assistance to Libya, "with a view to financing its fundamental and urgent programmes of economic and social development, giving consideration to the possibility of opening a special account of voluntary contributions to that end, and to report thereon to the General Assembly at its Seventh Session."

8. A communication from the Government of Libya (Doc. E/2282) to the Fourteenth Session of the Economic and Social Council suggested that, in view of Libya's preoccupation with a number of development projects, the question of additional aid for the country should be considered next year. By 11 votes to 1 (Egypt) with 6 abstentions, the Council decided to postpone consideration of the matter until 1953 (See E/SR 654), paras. 6-8).

Australian Attitude:

9 Australian supported the creation of the United Kingdom of Libya as an independent state, and has supported moves to secure Libya membership of the United Nations.

10 There may be an attempt by Chile, Egypt or the Union of Soviet Socialist Republics to resuscitate the question of Libya's financial relations with the United Kingdom. Australia's position on this question is unchanged from last year, namely, that such criticism constitutes an interference with the sovereign rights of the Libyan Government to conclude whatever sort of international financial agreement it saw fit.

National Archives of Australia NAA: A1838, 780/1 PART 1

F0050

F0050 16/ item 1
Page 3

5. It is realised that to ensure the political and economic viability of Libya, additional economic assistance may be required. This, however, is a question where the initiative may be left to Libya and the United Kingdom.

4. The Delegation should in general follow the United Kingdom's lead in view of that country's strategic interests in the area and their importance to Australia.

5. It is conceivable that the United Kingdom might take the view that a special United Nations account for voluntary contributions might ease the financial burden on the United Kingdom or to obviate possible criticism in regard to British influence in Libya.

6. In such an event, the Delegation should be careful not to commit Australia to contribute to a fund, even though consideration may need to be given subsequently to the question whether Australia's strategic interests make some (perhaps token) contribution desirable. If it is considered desirable to explain Australia's position the Delegation might refer to Australia's commitments under Colombo Plan as well as to internations schemes such as the United Nations Expanded Technical Assistance Programme and UNICEF.

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY
FWT:EM

794/1

3rd February, 1953.

MEMORANDUM for :-

The Secretary,
Department of Commerce and Agriculture,
CANBERRA, A.C.T.

SAUDI ARABIA - ALLEGED TRADE DESCRIMINATION AGAINST AUSTRALIAN FIRM OF JEWISH OWNERSHIP

Attached are a copy of a letter dated January 7th, 1953, to the President of the Executive Council of Australian Jewry from S.A. Zulaikha and Co. Pty. Ltd, Sydney, a copy of a letter dated January 16th, 1953, to the Minister for External from the President of the Executive Council of Australian Jewry and the Ministers interim reply to the latter on January 20th, 1953 on alleged discrimination in trade against an Australian firm of Jewish ownership by Saudi Arabia.

It would be appreciated if you would let this Department have as soon as possible any information, and advice you may be able to give.

(J.W.C. Cumes)
for Secretary.

National Archives of Australia NAA: A1838, 780/1 PART 1

COPY

Commonwealth Offices,
Treasury Gardens,
MELBOURNE, C.2. Vic.

20th January, 1953.

Dear Mr. Einfeld,

I have your letter of 16th January in which you have referred to me a letter from S.A. Zulaihka & Company Pty. Ltd. alleging trade discrimination on the part of Saudi Arabia against an Australian firm of Jewish ownership.

I shall do what I can to ascertain the general facts relating to this matter and will write to you again as soon as possible.

I am,

Yours sincerely,

(R.G. CASEY)

SECRETARY
DEPT. OF EXTERNAL AFFAIRS.

Sydney D. Einfeld, Esq.,
President,
Executive Council of Australian Jewry,
Suite 208,
243 Elizabeth Street,
SYDNEY, N.S.W.

for preparation of draft reply, please.

(H.M. L'Oveday)

20.1.53.

National Archives of Australia NAA: A1838, 780/1 PART 1

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Commonwealth Offices,
Treasury Gardens,
MELBOURNE, C.2. Vic.

20th January, 1953.

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(R.G. CASEY)

SECRETARY
DEPT. OF EXTERNAL AFFAIRS.

for preparation of draft reply, please.

(H.M. L'Oveday)

20.1.53.

Sydney D. Einfeld, Esq.,
President,
Executive Council of Australian Jewry,
Suite 208,
243 Elizabeth Street,
SYDNEY, N.S.W.

National Archives of Australia NAA: A1838, 780/1 PART 1

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243 Elizabeth Street,
SYDNEY, N.S.W.

for preparation of draft reply, please.

(H.M. L[illegible]veday)

20.1.53.

National Archives of Australia NAA: A1838, 780/1 PART 1

COPY

EXECUTIVE COUNCIL OF AUSTRALIAN JEWRY

16th January, 1953.

The Right Hon. R.G. Casey,C.H., D.S.O., M.C., M.P.,
Minister for External Affairs,
Parliament House,
CANBERRA. A.C.T.

Dear Sir,

I desire to bring under your notice a letter which I have received from S. A. Zulaikha & Company Pty. Ltd., of 7th instant, alleging trade discrimination on the part of Saudi Arabia against an Australian firm of Jewish ownership.

I shall be grateful of your advice in this matter and to learn whether your Department will make representations to secure the same modification obtained by the United States State Department.

Thanking you cordially,

I am, Sir,

Yours sincerely,

Sydney D. Einfeld.

(PRESIDENT).

SDE.MS

Encl.

National Archives of Australia NAA: A1838, 780/1 PART 1

EXECUTIVE COUNCIL OF

16th January, 1953.

The Right Hon. R.G. Casey, C.H., D.S.O., M.C., M.P.,
Minister for External Affairs,
Parliament House,
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Sydney D. Einfeld.

(PRESIDENT).

SDE.MS

Encl.

National Archives of Australia NAA: A1838, 780/1 PART 1

S.A. ZULAIKHA & COMPANY
PTY LTD.

EXPORTERS .....IMPORTERS.....COMMISSION AGENTS

69-73 Strand Arcade
SYDNEY, N.S.W.
AUSTRALIA

7th January, 1953.

SZ/VR.

President,
Executive Council of Australian Jewry,
243 Elizabeth St.,
SYDNEY.

Dear Sir,

Saudi ARABIA.

We desire to bring to your notice, and would appreciate if you may kindly take the matter up with the proper channels at your earliest , as we have been doing business with Saudi Arabia for the last 4 years, mainly in wheat and flfour.

This year although enquiries came from various sources (from Moslem buyers in that area) and although we spent about £500 in cable expenses, we could not get the business. We started negotiations during September of last year and could not understand the reason why till we received a letter from an importer in Mecca, in which he told us point blank that he understood from our organisations' letterhead that our firm was Jewish, and if his assumption is correct, he regrets he cannot deal with us as he is forbidden by the government of Saudi Arabia to deal with Jewish firms.

Another firm in Bahrain who has been doing transit business to Saudi Arabia (Persian Moslems) stated in his letter that we must change our name and delete "Zulaikha" from all shipping documents and manifest. Also he has stated that in fact the Saudi Arabian Government has confiscated some flour shipment which we have made to them recently, and the reason given by the Saudi Arabian government is that this flour was exported by a Jewish firm.

We understand from reports published in the Jewish Herald last year, that America has secured a modification of Saudi Arabain decr prohbiting trade with Jews in other countries, and quote:

"BOYCOTT OF JEWISH FIRMS
United Nations, N.Y. (JCS). - The U.S. State Department has secured amodification of the Saudi Arabain decree prohbiting trade with Jews in other countries, it is learned here.
The issue was raised by Dr. M.L. Perlzweig, representative of the World Jewish Congress, at a closed session of the Economic and Social Council Committee on Non-Governmental Organisations, but discussion of the matter before the Council itself had been prevented by the Saudi Arabian delegation."

We do not know whether such representations were made by Australis and England.

We would appreciate also to find out whether the Saudi Arabian authorities have approached the Australian government to supply t with names of Jewish exporters in Australia, and whether same was submitted or not.

We understood from Jewish Papers too that Italy was approached this subject and the authorities there have refused to supply Sa Arabia with names of Jewish exporters in Italy.

We reamin,

Yours very truly,

S.A.Zulaikha & Co. Pty. Limited.

National Archives of Australia NAA: A1838, 780/1 PART 1

Dr Evatt.

I doubt whether we are in a position to draft a reply on this matter & Sanger & I would be disinclined to refer the same to CON for advice as a first step. Do you agree?

2/2/53.

Mr Eyatt

Memo to C of A drafted 2/2/53

Dear

you h
Compa
part o
Jewish

facts
again

Mr

Sydney D. [illegible], Esq.,
President,
Executive Council of Australian Jewry,
Suite 208,
243 Elizabeth St.,
SYDNEY. N.S.W.

SECRETARY
DEPT. OF EXTERNAL AFFAIRS.

For preparation of draft reply, please.

(H.M.Loveday)
20.1.53.

Mr Eyatt

Note and [illegible] on draft reply pls

Dr Evatt 2/2/53.

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

R. G. CASEY

DEPARTMENT OF EXTERNAL AFFAIRS
Rec'd 22 JAN 1953
File No. 794/1.

Commonwealth Offices,
Treasury Gardens,
MELBOURNE. C. 2. Vic.

20th January, 1953.

Dear Mr. Einfeld,

I have your letter of 16th January in which you have referred to me a letter from S.A. Zulaikha & Company Pty. Ltd. alleging trade discrimination on the part of Saudi Arabia against an Australian firm of Jewish ownership.

I shall do what I can to ascertain the general facts relating to this matter and will write to you again as soon as possible.

I am,

Yours sincerely,

(R. G. CASEY)

Sydney D. Einfeld, Esq.,
President,
Executive Council of Australian Jewry,
Suite 208,
243 Elizabeth St.,
SYDNEY. N.S.W.

SECRETARY
DEPT. OF EXTERNAL AFFAIRS.

For preparation of draft reply, please.

(H.M.Loveday)
20.1.53.

ER

Mr Einfeld
Note and forward your draft reply pls
Dr Cumes 2/2/53.

National Archives of Australia NAA: A1838, 780/1 PART 1

20 JAN 1953

Executive Council of Australian Jewry

(The Official Organisation of Australian Jewry)

President:
Sydney D. Einfeld.

Senior Vice-President:
M. J. Ashkanasy, LLM., Q.C. (Vic.)

Hon. Treasurer:
Horace B. Newman.

Hon. Secretary:
Sam Karpin.

Vice-Presidents:
Gerald de Vahl Davis, B.Sc. Agr. (N.S.W.)
A. Breckler (W.A.)
A. Newhouse (Qld.)
Dr. E. A. Matison (S.A.)
H. J. Jacob (Tas.)

Constituents:
New South Wales Jewish Board of Deputies.
Victorian Jewish Board of Deputies.
West Australian Jewish Advisory Board.
Queensland Jewish Board of Deputies.
South Australian Jewish Board of Deputies.
Hobart Hebrew Congregation.

'Phone: MA 4423
Cables: Boarddep, Sydney.
SUITE 208, 243 ELIZABETH ST., SYDNEY.

16th January, 1953.

The Right Hon. R.G.Casey, C.H., D.S.O., M.C., M.P.,
Minister for External Affairs,
Parliament House,
CANBERRA. A.C.T.

Dear Sir,

I desire to bring under your notice a letter which I have received from S. A. Zulaikha & Company Pty., Ltd., of 7th instant, alleging trade discrimination on the part of Saudi Arabia against an Australian firm of Jewish ownership.

I shall be grateful of your advice in this matter and to learn whether your Department will make representations to secure the same modification obtained by the United States State Department.

Thanking you cordially,

I am, Sir,

Yours sincerely,

SDE.MS

PRESIDENT.

Encl.

National Archives of Australia NAA: A1838, 780/1 PART 1

S. A. ZULAIKHA & COMPANY
PTY. LTD.

EXPORTERS . . . . IMPORTERS . . . . COMMISSION AGENTS

Cables & Telegrams
"ZULAIKHA," SYDNEY
Telephones M 6048, M 6049

69-73 STRAND ARCADE
SYDNEY, N.S.W.
AUSTRALIA

Codes
BENTLEY'S 5TH EDITION
and A.B.C. 5TH EDITION

When replying please quote

REF. NO. SZ/VR.

7th January, 1953.

President,
Executive Council of Australian Jewry,
243 Elizabeth St.,
SYDNEY.

7.1.53.
16.1.53

Dear Sir,

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We desire to bring to your notice, and would appreciate if you may kindly take the matter up with the proper channels at your earliest, we have been doing business with Saudi Arabia for the last 4 years, mainly in wheat and flour.

This year although enquiries came from various sources (from Moslem buyers in that area) and although we spent about £500 in cable expenses, we could not get the business. We started negotiations during September of last year and could not understand the reason why, till we received a letter from an importer in Mecca, in which he told us point blank that he understood from our organisations' letterhead that our firm was Jewish, and if his assumption is correct, he regrets he cannot deal with us as he is forbidden by the government of Saudi Arabia to deal with Jewish firms.

Another firm in Bahrain who has been doing transit business to Saudi Arabia (Persian Moslems) stated in his letter that we must change our name and delete "Zulaikha" from all shipping documents and manifest. Also he has stated that in fact the Saudi Arabian Government has confiscated some flour shipment which we have made to them recently, and the reason given by the Saudi Arabian government is that this flour was exported by a Jewish firm.

We understand from reports published in the Jewish Herald last year, that America has secured a modification of Saudi Arabian decree prohibiting trade with Jews in other countries, and quote:

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REF. NO.

7th January, 1953.

President, Executive Council of Australian Jewry.

the World Jewish Congress, at a closed session of the Economic and Social Council Committee on Non-Governmental Organisations, but a discussion of the matter before the Council itself had been prevented by the Saudi Arabian delegation."

We do not know whether such representations were made by Australia and England.

We would appreciate also to find out whether the Saudi Arabian authorities have approached the Australian government to supply them with names of Jewish exporters in Australia, and whether same was submitted or not.

We understood from Jewish Papers too that Italy was approached on this subject and the authorities there have refused to supply Saudi Arabia with names of Jewish exporters in Italy.

We remain,

Yours very truly,

For and on behalf of
S. A. ZULAIKHA & CO. PTY. LIMITED

National Archives of Australia NAA: A1838, 780/1 PART 1

COPY FOR FILE NO. 794/1

704/2

3rd November, 1952.

MEMORANDUM FOR :

The Secretary,
Department of Commerce & Agriculture,
CANBERRA. A.C.T.

LEBANON'S I.W.A. QUOTA

The Consul-General for Lebanon in a recent interview with the undersigned on a number of matters stated that he had been instructed to request the Australian Government to support the increase of Lebanon's quota under the International Wheat Agreement from 60,000 tons to 120,000 tons.

2. In asking for Australia's sympathetic consideration the Consul-General stated that Lebanon desired the increase, even though she has not consistently taken up her present quota, in order to avoid being largely dependent upon the goodwill of Syria, the normal supplier of wheat and flour to Lebanon. The Consul-General stated that there were issues between the two countries on this question and that the Lebanese Government "desired to keep their head above water".

3. The Consul-General was advised that Australia had received a number of similar representations and that hitherto no commitments had been made.

4. Your advice as to the response to be made to the Consul-General would be appreciated.

(A.H. Tange)
Assistant Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

Lebanon:

Australian Wheat Exports

	Wheat	Flour in Terms of Wheat	Total
1948/49	331,000 bush Free	52,000 bush Free	383,000 bush
1949/50	Nil	Nil	Nil
1950/51	Nil	Nil IWA 602,000 bush Free	602,000 b
1951/52 upto Sept	Nil	Nil	Nil

IWA Quota 2.400,000 bush = 65,000 Metric Tons

	IWA Sales		~~Canada~~ & USA
1949/50	4100	Metric Tons	
1950/51	7,100	MT	Canada
	15,000	MT	France
	43,300	MT	USA
	65,400	MT	

National Archives of Australia NAA: A1838, 780/1 PART 1

Lebanon Slates from Iraq

Both Lebanon & Iraq receive Tariff MFN treatment

Not relevant

Lebanon Imports

1948/49 Nil
to
1951/52

Australia from Iraq

	Date Imports	Total Imports
48/49	£2,11039	224 355
49/50	£198060	199 514
50/51	£255,135	262 309
51/52	£267,779	271, 032

National Archives of Australia NAA: A1838, 780/1 PART 1

FOR THE SECRETARY
FOR MR. KEVIN
FOR UNITED NATIONS

FOR ECONOMIC RELATIONS

Please take up these questions * with the appropriate departments and furnish a reply for the Lebanese Consul General.

Ghorra, Consul General for the Lebanon, called at his request, and raised several matters.

(1) Lebanese Election to Security Council

I told him Australia would support and that we hoped his good offices with the Arab League would get us their vote for ECOSOC. I chose a suitable opportunity to tell him of our forthcoming contribution for Arab relief.

(2) Move of Israel Headquarters to Jerusalem

He told me the Arabs were intending to have this question fully discussed this year. I let him know that we were aware of this but avoided being drawn into any discussion on the ~~matter~~ we might take in view of the difficulties foreseen by the United Kingdom. In reply to his comment that he hoped Australia would stick firmly on internationalisation I told him of the attitude we took in 1950 and turned the issue back to him by indicating that we had always regarded the objection of both Israel and Jordan as the obstacle to internationalisation. He was not able to say whether Jordan would now join other Arab League countries in supporting internationalisation. I reminded him of our approach to Israel about the move of their Foreign Affairs Ministry to Jerusalem.

(3) Australian Representation in Lebanon

On a personal basis Ghorra asked what prospects there were of Australian reciprocity. He remarked on the fact that there were common human interests reflected in the presence in Australia of about 10,000 people of Lebanese origin. I said the matter was outside my field and remarked on the current pressures on our service to maintain our existing posts.

* (4) Lebanese Import Quota under International Wheat Agreement

Ghorra, on instructions, asked Australia to support an increase in her quota from 60,000 tons (other information suggests 65,000 metric tons) to 120,000 tons. He asked for Australia's sympathetic consideration and elaborated to me the reason why the Lebanon wished to have such a quota even though she has not consistently used it. He says they want to "keep their head above water" and not remain largely dependent on the goodwill of Syria which is their normal supplier of wheat and flour. He says there are issues between the two countries on this question.

I told him that we had had a number of similar representations and that hitherto our authorities had not committed themselves. I undertook that we would take the matter up.

(5) Import of Dates from Iraq

On behalf of the Iraq Government, Ghorra asked that we consider favourably the restoration of dates to 100% of the base year instead of the current 60%.

National Archives of Australia NAA: A1838, 780/1 PART 1

I explained to him the cause of the imposition of the restrictions and their non-discriminatory nature and said that I would ascertain whether any reclassification of dates would be possible.

(A. H. Tange)
Assistant Secretary
(United Nations &c.)

22nd October, 1952.
AHT.MS

National Archives of Australia NAA: A1838, 780/1 PART 1

NGW:JMM

794/1

1st February, 1952

MEMORANDUM FOR:

T. &C.
C. &A.
TRSY
N. D.

United States Technical Aid to Iran

Enclosed for your information is a copy of memorandum No.47 of 11th January, 1952, from the Australian Embassy, Washington, giving some details of a recent agreement between the United States and Iran on the provision of economic and technical aid to Iran.

Copies of this memorandum have also been sent to the Departments of

(L. C. Corkery)
for Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

118/2

Memorandum No. 17/52.

Australian Embassy,
Washington, D.C.

11th January, 1952.

MEMORANDUM FOR:

The Secretary,
Department of External Affairs,
Canberra, A.C.T.,
Australia.

I R A N.

Reference is made to our memorandum No. 18/52 and our telegram No. 12 of 4th January, 1952.

Agreement has now been reached between the United States and Iran on the provision of $23,000,000 worth of economic and technical aid in the year ending 30th June, 1952. The agreement was concluded by an exchange of notes on 5th January modifying and extending the terms of the existing Technical Aid Agreement. American commentators have, in connection with negotiations on the question, commented somewhat wryly on the difficulties experienced in persuading needy countries to accept economic aid. (See attached editorial from the New York Times of 7th January). It is generally agreed by these commentators that the United States Administration was justified in not insisting in the case of Iran on compliance with the conditions set forth in section 511 (a) of the Mutual Security Act that the recipient country must "make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities and general economic condition to the development and maintenance of its defensive strength and the defensive strength of the free world"; Instead use was made of section 511 (b) under which Iran re-affirmed its allegiance to the Charter of the United Nations.

The State Department have informed us that the question of continued provision of military aid to Iran is still undecided. The attached report from the New York Times of 9th January states that it depends on whether President Truman is prepared to accept the affirmation of allegiance to the principles of the United Nations as covering requirements for continued military aid.

(C.T. Moodie)
Counsellor.

Encls. CTM:GNU:jd

National Archives of Australia NAA: A1838, 780/1 PART 1

194/1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

PJK:MB

O. 1103

Sent: 24th January, 1952.
1405

TO:

High Commissioner's Office,
LONDON.

324 UNCLASSIFIED.

Your 284. Joint sleeves to Iraq.

D.I.D. approved following:-

Posts and Telegraphs - 250 tools 22,000 sleeves

Petroleum Company - 15 tools 15,000 sleeves.

Tradimes advised by divisbn on 5th December.

- - - - - - -

C & A (C-S-M)
P.M's

24th January, 1952.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

DB:HP

I.1059

FROM:

Dated: 18th January, 1952.
1725

High Commissioner's Office,
LONDON.

Rec'd: 19th January, 1952.
10.30 a.m.

284. UNCLASSIFIED.

Commerce.

Your telegram 114. Copper joint sleeves, your telegram 6277, are for Iraq Petroleum. On the contrary my telegram 98 referred to sleeves for Iraq Posts and Telegraphs. Originally transmitted my despatch 24th September. Please telegraph reply.

C. & A. (Canb. Syd. & Melb.)
P.M.'s.

21st January, 1952.

498

DISTRIBUTION
SECRETARY
A.S. (U.N.)
A.S. (G.E.)
A.S. (Admin.)
C.R. (L. & T.)
U.N.
Pac. Am.
E.E.
Pac.
West
Central
N.I.
Com. & Pr.
Int.
Comp.
Finance
Ec. Cooper.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

421

DBB:EFS

O.00495

Sent: 11th January, 1952.
1145

TO:

Australian High Commissioner's Office,
L O N D O N.

114. UNCLASSIFIED.

Your 98 8th January. Copper Joint Sleeves to Iraq.

Export approved. My cablegram 6277 of 20th November refers.

C & A (C-S-M)
P.M's.

11th January, 1952.

O.18379

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

TO: MEPS

I.421

Dated: 8th January, 1952

FROM: Rec'd: 9th January, 1952

Australian High Commissioner's Office,
LONDON.

98. UNCLASSIFIED.

Commerce.

Your despatch October 22nd, CR61/1/6. In the export of copper joint sleeves to Iraq Posts and Telegraphs [illegible] permitted.

C [illegible] (C-S-M)
P.M's.

9th January, 1952.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

..BG

C.10575

Sent: 30th November, 1951.
1655

TO:

Australian High Commissioner's Office,
LONDON.

6277 UNCLASSIFIED:

Your 6301 9th November.

Copper.

Joint sleeves to BNA.

D.I.D. have granted export approval as special case.

...

C&A (C-S-M)
T&C (C-S)
Supply
P.M.'s

31st November, 1951.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

AP:SA

I.19233A

Dated: 9th November, 1951.
1845

FROM:

Recd.: 12th November, 1951.
0830

Australian High Commissioner's Office,
LONDON.

6001. UNCLASSIFIED.

Commerce.

Your despatch 22nd October CE81/8/6 and my telegram 19th October 5704.

Copper joint sleeves.

Ministry of Fuel and Power request urgent decision. Please telegraph.

C. & A. (C.S.M.) (Attn.)
T. & C. (C.S.)
Supply
P.M.'s.

12th November, 1951.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

DB:GM

I. 18230

Dated: 19th October, 1951
1850

FROM:

Rec'd: 22nd October, 1951
0830

Australian High Commissioner's Office,
LONDON.

5704. UNCLASSIFIED.

My despatch of 28th September 414/25/9.

Ministry for Fuel and Power strongly sponsor Iraq Petroleum Company pipe line project order for jointing material and pressing tools placed with Tradimex Distributors Market Street, Melbourne. Grateful you arrange urgently issue of export licence to Tradimex.

.....

C & A (C-S-M) (attn)
T & C (C-S)
Supply
P.M.'s

22nd October, 1951.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

BL:

O. 10708

TELEGRAM TO:

Sent:2nd July, 1951.

1635

Mr. Camilleri,
Minister for Emigration,
M A L T A.

EX.288. UNCLASSIFIED.

For Camilleri, Minister for Emigration, Malta.

From Holt, Minister for Immigration.

Reference your cable of 10th June. Commonwealth Government is encouraging importation of suitable prefabricated houses. Your proposal however presents considerable technical difficulties. It is therefore essential that before any action is taken to manufacture or ship houses a Representative of the company come to Australia with full details of the system of construction. These should include plans, specifications and drawings of the House and of special features such as type of cement block used, Ferro-concrete beams, system of roof construction, plumbing units proposed. From description given in cable the system of construction does not appear to comply with local Government requirements for New South Wales, Victoria and other States. As anindication of the likelihood of its general acceptability it will therefore be necessary first to obtain a technical expression of opinion from the Commonwealth Experimental Building Station on its structural and functional sufficiency, as a basis for approach to Local Government authorities in areas in which it is proposed to erec t the houses.

Suggest also you defer making any arrangements about sites until the technical difficulties are resolved. In any case essential that matter be investigated at first hand by company representative coming to Australia. Building Industry Division, Ministry of National Development, Canberra, will be glad to give company representative necessary advice and to arrange suitable contracts. I am able to confirm that in accordance with the Government's present policy prefabricated houses will be admitted free of duty if landed in Australia on or before 31st December 1951.

Min. & Dept. Immigration (51/15/4048)
L & N.S.
W & H (Melbourne)
P.M's

3rd July, 1951.

DISTRIBUTION
SECRETARY
A.S.(U.K.)
A.S.(R.)
A.S.(Admin.)
C.R.(L.& E.)
U.N.
Eco. Aff.
E.R.
Pac.
West
General
Info.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM. **RESTRICTED.**

MF:CO

CYPHER TC:

0.5991.

Dated: 16th April, 1951.

1450.

Australian High Commissioner,
LONDON.

MAC. RESTRICTED.

For Clark from Sullivan.

Your 1137.

Trade Agreement with Iraq.

Iraq proposal has been fully investigated, but on the basis of information available in Australia there appears to be no scope, on either import or export grounds, for the conclusion of a Trade Agreement between the two countries.

It is suggested, however, that discussions be held with Iraq representatives in London to ascertain what specific proposals they had in mind when move was initiated. The matter could then be referred to Australia for final consideration and decision.

Jarrah sleepers are not available for export from Australia.

Commerce and Agriculture (Canberra)
Trade and Customs (Canberra)
External Affairs.
National Development.
Supply.
Treasury.
EPD.
N.S.R.B.
Prime Minister Department.

17th April, 1951.

794/1

National Archives of Australia NAA: A1838, 780/1 PART 1

TELEPHONE: MXY 440.

COMMONWEALTH OF AUSTRALIA.

DEPARTMENT OF DEFENCE.

No. SS 247

MELBOURNE, S.C.1.

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS
27 MAR 1951
794/1

22 MAR 1951

MEMORANDUM for:

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

JARRAH SLEEPERS FOR IRAQ

In reference to your memorandum No. 794/1 of 6th March, 1951, asking for advice and comments on the abovementioned subject, it is noted from your memorandum of 12th March, 1951, to the Director-General, Forestry and Timber Bureau, that the Foreign Office do not intend to press this matter for the time being. It is assumed that no further action is now required.

Should the matter be raised again, however, it is suggested that a decision should be based on factors relating to the supply position in Australia.

Secretary.

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

FWT.MS

File No. 794/1

Memo No.

CANBERRA, A.C.T.

20th March, 1951.

MEMORANDUM for :-

External Affairs Officer,
LONDON.

JARRAH SLEEPERS FOR IRAQ

On receipt of your memorandum No. 187 of 21st February, on the above (your reference L50/3/1/7) the Director-General of the Forestry & Timber Bureau was again consulted on the subject.

The Director-General has now replied saying that:

"Over the coming year, the greatest difficulty will be experienced in producing jarrah sleepers for the needs of the Western Australian Government Railways, and bare maintenance requirements of the South Australian and Commonwealth Railways, who rely on sleeper requirements from Western Australia, so that the two latter authorities cannot proceed with urgent developmental works unless they are able to import sleepers from overseas, the prospects of which do not appear favourable at the moment.

The only export overseas of sleepers from Western Australia for as far ahead as can be seen will be restricted to a comparatively small quantity already cut to different sizes from those required by the Iraqi or Australian railway systems.

It will be appreciated, therefore, that it is impossible to grant a permit for the export to the Iraqi State Railways of any jarrah sleepers without seriously endangering the maintenance of Australian railway systems."

Your memorandum No. 204 of 28th February, 1951, has also been received and the appropriate authorities have been given the information contained in the first paragraph.

Please inform the Iraqi Ambassador appropriately of the position.

Copy minuted to Defence.

(D. J. Munro)
for Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

RESTRICTED.

MB:HG

CYPHER TO:

O.4605

Dated; 21th March, 1951.
1640

Australian High Commissioner,
L O N D O N.

1707. RESTRICTED.

Clark from Trade and Customs .

Would appreciate your comments on cable 1437 regarding request from Iraqui Ambassador to negotiate trade arrangements.

.....

Min.& Dept C&A (Canb)
" " " T&C (Canb)
" " " E.A.
" " " N.D.
" " " Supply
EPD NSEL
Treas & Treasury
P.M's

22nd March, 1951.

National Archives of Australia NAA: A1838, 780/1 PART 1

FWT.MS

794/1

20th March, 1951.

MEMORANDUM for :-

C&A; T&C; PMs; N.D.; Treasury.

Proposed Trade Agreement Between Australia and Iraq

Reference is made to cablegram 1.4906 of 13-14/3/51 (No. 1437 from the High Commissioner's Office, London) on the above subject.

You will be aware, of course, of the position regarding Iraq's request for jarrah sleepers and the British Government's interest therein, from this Department's minute of 12th March, 1951, and previous correspondence.

There is an Iraqi trade delegation negotiating for a trade agreement with India, in New Delhi at present. According to the New Delhi radio at 10.30 a.m. on 13th March, 1951, two of the members of the delegation said in Bombay that this was the first trade agreement Iraq was negotiating with any country. It was also indicated that Iraq wanted from India as much textiles, cotton and jute goods as would meet Iraq's domestic requirements. Indian prices were said to be favourable and Iraq proposed to import more goods from India than she could export to it.

Although our preliminary Departmental view is that there are neither advantages nor disadvantages, from a political point of view, in concluding or not concluding a trade agreement or arrangement with Iraq under present circumstances, it would be appreciated if any reply being sent to the High Commissioner's Office were cleared with this Department before transmission.

(D. J. Munro)
for Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

MISS SELF
TYPING POOL
1ST FLOOR

BRITISH COMMONWEALTH CONFERENCE, CANBERRA, 1947.

C & A
T & C
Trade
PMs
ND
} Ramsbotham

794/1

Proposed trade agreement between Australia & Iraq.

Reference is made to cablegram 1.4906 of 13-14/3/51 (No 1437 from the H C's office, London) on the above subject

You will be aware, of course, of the position regarding Iraq's request for parcels shipers & the British Govts interest therein from the Dept minute of March 12, 1951 & previous correspondence.

~~You will~~

There is at present an Iraqi trade delegation ~~in~~ ~~to~~ negotiating for a trade agreement with India in New Delhi at present according to the New Delhi radio at 10.30 am on March 13, 1951, two of the members of the delegation said in Bombay that this was the first trade agreement Iraq was negotiating with any country. ~~It~~ they also said It was also understood that Iraq wanted from India as required ~~such goods as~~ the textiles, cotton & jute goods as would meet Iraq's domestic requirements. Indian prices were said to be favourable & Iraq proposed to import more goods from India than she could export to ~~this~~ it country

It would be appreciated if you would let the Dept see any the reply which you propose to send to the High Commissioners office before its despatch

Although the any preliminary ~~view~~ departmental view is that there are neither the advantages nor disadvantages, from a political point of view, in concluding or not concluding a trade agreement or arrangement

National Archives of Australia NAA: A1838, 780/1 PART 1

with Iraq ~~at the present~~ under present circumstances it would be appreciated if ~~the Department were~~ any reply being sent to the High Commissioners office were cleared with this dept. before transmission

EXTERNAL AFFAIRS.

FOR MR. MUNRO

Proposed Australian - Iraq Trade Agreement

(1.4906 of 13-14/3/51, 1437 from High Commissioner's Office, London)

Some data concerning Australian trade with Iraq and Iraq's foreign trade is given below, but I suggest that there is no worthwhile basis for a trade agreement with Iraq from either the economic or the political points of view. Iraq appears to have nothing essential to offer us, assuming its petroleum continues to be tied up by Britain and it would not seem that Iraq is a market we can or would wish to cultivate. In the past we have provided wheat when needed but wheat sales do not seem likely to be a problem in the immediate future.

If the British Government wishes us to do so for security reasons we may have to try to supply Iraq with jarrah sleepers but that may be treated quite separately from this proposal for a trade agreement.

Mr. Lee, Middle East Sub-Section, concurs in the view that there are no worthwhile political advantages or disadvantages in concluding or not concluding a trade agreement.

You will note from the memorandum attached for your signature if approved that Iraq is at present negotiating a trade agreement with India - allegedly its first with any country.

Iraq's Principal Imports and Exports in Iraqi dinars
1947-1948.

Imports	1947	1948
Cotton piece goods	6,474,000	7,295,000
Silk and rayon piece goods	1,213,000	383,000
Woollen piece goods	790,000	1,287,000
Clothing	1,298,000	754,000
Iron and steel	4,890,000	4,996,000
Vehicles	1,734,000	2,176,000
Machinery	2,896,000	3,631,000
Electrical Machinery	1,156,000	1,889,000
Paper and cardboard	750,000	592,0000
Chemicals and pharmaceutical products	803,000	829,000
Sugar	1,691,000	3,661,000
Tea	2,267,000	2,123,000
Soap	519,000	837,000
Cement	594,000	1,075,000
Timber	1,011,000	623,000
Total Imports	40,091,824	45,523,074
Exports (excluding petroleum and silver)		
Dates	4,702,000	4,743,000
Barley	6,113,000	Nil
Wool	372,000	1,027,000
Total Exports	13,800,538	7,584,066

(Source: Statesman's Year Book 1950)

National Archives of Australia NAA: A1838, 780/1 PART 1

Australia's Trade with Iraq in £A

Year	Australia's Exports	Australia's Imports
1945-6	860,233	142,287
1946-7	516,239	141,387
1947-8	1,677,804	366,604
1948-9	1,082,453	211,434

(Source: Commonwealth Bureau of Census & Statistics Overseas Trade .. Bulletin No. 46)

Iraq's Foreign Trade in U.S. dollars

Year	Imports	Exports (excluding petroleum and silver)
1946	114,100,000	54,200,000
1947	161,500,000	59,800,000
1948	183,500,000	34,900,000
1949	148,400,000	42,100,000

N.B. 4,424,000 metric tons of petroleum were exported in 1947

(Source: U.N. Statistical Year Book)

19th March, 1951.
FWT.MS

National Archives of Australia NAA: A1838, 780/1 PART 1

FOR MR. MUNRO

Proposed Australian - Iraq Trade Agreement

(1.4906 of 13-14/3/51, 1437 from High Commissioner's Office, London)

Some data concerning Australian trade with Iraq and Iraq's foreign trade is given below, but I suggest that there is no worthwhile basis for a trade agreement with Iraq from either the economic or the political points of view. Iraq appears to have nothing essential to offer us, assuming its petroleum continues to be tied up by Britain and it would not seem that Iraw is a market we can or would wish to cultivate. In the past we have provided wheat when needed but wheat sales do not seem likely to be a problem in the immediate future.

If the British Government wishes us to do so for security reasons we may have to try to supply Iraq with jarrah sleepers but that may be treated quite separately from this proposal for a trade agreement.

Mr. Lee, Middle East Sub-Section, concurs in the view that there are no worthwhile political advantages or disadvantages in concluding or not concluding a trade agreement.

You will note from the memorandum attached for your signature if approved that Iraq is at present negotiating a trade agreement with India - allegedly its first with any country.

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1947-1948.

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Iron and steel	4,890,000	4,996,000
Vehicles	1,734,000	2,176,000
Machinery	2,896,000	3,631,000
Electrical Machinery	1,156,000	1,889,000
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Total Imports	40,091,824	45,523,074
Exports (excluding petroleum and silver)		
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Barley	6,113,000	Nil
Wool	372,000	1,027,000
Total Exports	13,800,538	7,584,066

(Source: Statesman's Year Book 1950)

National Archives of Australia NAA: A1838, 780/1 PART 1

Australia's Trade with Iraq in £A

Year	Australia's Exports	Australia's Imports
1945-6	860,233	142,287
1946-7	516,239	141,387
1947-8	1,677,804	366,604
1948-9	1,082,453	211,434

(Source: Commonwealth Bureau of Census & Statistics Overseas Trade .. Bulletin No. 46)

Iraq's Foreign Trade in U.S. dollars

Year	Imports	Exports (excluding petroleum and silver)
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1947	161,500,000	59,800,000
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1949	148,400,000	42,100,000

N.B. 4,424,000 metric tons of petroleum were exported in 1947

(Source: U.N. Statistical Year Book)

19th March, 1951.
FWT.MS

National Archives of Australia NAA: A1838, 780/1 PART 1

BRITISH COMMONWEALTH CONFERENCE, CANBERRA, 1947.

7 Ec 794/1

For Mr Munro

Proposed Australian - Iraq Trade Agreement
(1.4906 13-14/3/51, 1437 from HC's Office, London)

Some data concerning Australian trade with Iraq & Iraq's foreign trade is given below, but I suggest that there is no ~~basis~~ worthwhile basis for a trade agreement with Iraq from ~~either~~ either the economic or the political points of view. Iraq appears to have nothing essential essential to offer us, assuming its petroleum condensate continues to be tied up by Britain & it would not seem that Iraq is a market we can or would wish to cultivate. In the past we have provided wheat when needed but wheat sales do not seem likely to be a problem in the immediate future.

If the British Govt wishes us to do so for security reasons we may have to step to supply Iraq with gunnies sheepskins but that may be treated quite separately from this proposal for a trade agreement.

Mr Lee, ~~Middle East Int. Section~~, concurs in the view that there are no worthwhile political advantages or disadvantages in concluding or not concluding a trade agreement.

You will note from the ~~attached~~ draft memo attached for your signature if approved that Iraq is at present negotiating a trade agreement with India - ~~allegedly~~ allegedly its first with any country.

National Archives of Australia NAA: A1838, 780/1 PART 1

Iraq's Principle Imports & Exports in Iraqi dinars
1947 – 1948

~~Iraq Principle Imports & Exports in Iraqi dinars~~

Imports	1947	1948
Cotton piece goods	6,474,000	7,295,000
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Clothing	1,298,000	754,000
Iron & Steel	4,890,000	4,996,000
Vehicles	1,734,000	2,176,000
Machinery	2,896,000	3,631,000
Electrical Machinery	1,156,000	1,889,000
Paper & cardboard	750,000	592,000
Chemicals & pharmaceutical products	803,000	829,000
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Tea	2,267,000	2,123,000
Soap	519,000	837,000
Cement	594,000	1,075,000
Timber	1,011,000	623,000
Total ~~Imports~~ Exports.	40,091,824	45,523,074

Exports (Excluding petroleum, & silver)

Dates	4,702,000	4,743,000
Barley	6,113,000	Nil
Wool	372,000	1,027,000
Total Exports (Excluding petroleum & silver)	13,850,538	7,584,066

(Source:- Statesman's Year Book 1950)

National Archives of Australia NAA: A1838, 780/1 PART 1

Australia's Trade with Iraq in £A.

Year	Australian Exports	Australian Imports
1945-6	860,233	142,287
1946-7	516,239	141,387
1947-8	1,677,804	366,604
1948-9	1,082,453	211,434

(Source: C.B.&C.I.S Oversea Trade ... Bulletin No 46)

Iraq's Foreign Trade in US dollars

	Imports	Exports (excluding petroleum & asbestos)
1946	114,100,000	54,200,000
1947	161,500,000	59,800,000
1948	183,500,000	34,900,000
1949	148,400,000	42,100,000

NB 4,424,000 metric tons of petroleum were exported in 1947

(Source: UN Statistical Year Book)

16/3/51

National Archives of Australia NAA: A1838, 780/1 PART 1

COMMONWEALTH OF AUSTRALIA

TELEGRAMS: FORBUREAU—MELBOURNE
TELEPHONE: MB 1741
G.P.O. BOX 5056 Y

COMMUNICATIONS SHOULD BE ADDRESSED TO THE DIRECTOR-GENERAL

IN YOUR REPLY PLEASE QUOTE No. 410/41 A/JWB

FORESTRY AND TIMBER BUREAU,
M.L.C. BUILDING,
305 COLLINS STREET,
MELBOURNE, C.1.

14th March 19 51

DEPARTMENT OF EXTERNAL AFFAIRS
15 MAR 1951
File No. 794/1

MEMORANDUM for:

The Secretary,
Department of External Affairs,
CANBERRA ... A.C.T.

Jarrah Sleepers for Iraq

Reference your memorandum 794/1 of 6.3.51, attaching copy of a note on the above subject sent to the Resident Minister, London, by the Iraqi Ambassador on 16.2.51, and quoting the letter transmitting this note to the External Affairs Officer, London:

> Over the coming year, the greatest difficulty will be experienced in producing jarrah sleepers for the needs of the Western Australian Government Railways, and bare maintenance requirements of the South Australian and Commonwealth Railways, who rely on sleeper requirements from Western Australia, so that the two latter authorities cannot proceed with urgent developmental works unless they are able to import sleepers from overseas, the prospects of which do not appear favourable at the moment.
>
> The only export overseas of sleepers from Western Australia for as far ahead as can be seen will be restricted to a comparatively small quantity already cut to different sizes from those required by the Iraqi or Australian railway systems.
>
> It will be appreciated, therefore, that it is impossible to grant a permit for the export to the Iraqi State Railways of any jarrah sleepers without seriously endangering the maintenance of Australian railway systems.

Mr Fowler
You might have to leave the wf. a carpenter of fencers ordered 16/3

G. J. Rodger

(G. J. Rodger)
Director General

E

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

CANBERRA COPY

::::PN

DECODED FROM :

14906

Dated: 15th March, 1951
1815
Recvd: 14th March, 1951
1640 hours

High Commissioner's Office,
LONDON.

1437. UNCLASSIFIED.

For Commerce from Sullivan.

Letter in following terms received from Iraqi Ambassador, London, begins:-

"My Government are desirous of entering into a trade agreement with the Government of Australia, which will serve to regulate exchange of commodities and products between the two countries.

I should be grateful if you would ascertain the views of your Government with regard to this proposal and advise me accordingly."

I should be grateful for your advice.

Recently we have received representations from the Iraqi Authorities, concerning delivery of Jarrah sleepers for Iraqi railway and possibly the desire to obtain regular supplies of these goods is the reason for the present approach, as it is stated that Jarrah wood sleepers are the only types that will stand up to the climatic and local conditions in Iraq.

Min. & Dept. C. & A. (Canberra)
Min. & Dept. T. & C. (Canberra)
Min. & Dept. E.A.
Min. & Dept. N.D.
Min. & Dept. Supply
Treasurer & Treasury
E.P.D.
N.S.R.B.
P.M's. Dept.

15th March, 1951

Ah Sinclair
Please comment
Urgent
You might
Contact
Scully & C of A.
16/3.
Reply should not
go until we OK.

Copy Submission to Mr Munro
& memo to C of A
T & C
Treas
PMs
ND
Mr Sifted 16/3/51

National Archives of Australia NAA: A1838, 780/1 PART 1

FWT.MS

794/1

12th March, 1951.

MEMORANDUM for :-

The Director-General,
Forestry & Timber Bureau,
303 Collins Street,
MELBOURNE.

JARRAH SLEEPERS FOR IRAQ

Reference is made to this Department's memorandum of 6th March, 1951, on the above.

In a memorandum 204 of 28th February, 1951, received on 7th March, the External Affairs Officer, London, reported:

"The Foreign Office now state that they do not intend to press the matter for the time being as there is some possibility that sleepers may be procured elsewhere.

It is assumed that the supply position in Australia has not improved since your memorandum of 7th February but we await confirmation of this before finally informing the Iraqi Ambassador that nothing can be done at present to meet his request."

The memorandum of 7th February referred to was based on your memorandum 410/41 of 2nd February.

Copies minuted to C&A ;
PMs; Defence.

(D. J. Munro)
for Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

TEMPLE BAR 6611.
TEMPLE BAR 1867.

File

In reply quote No. 50/3/1/7
GWL.LG.

No. 204.

DEPARTMENT OF EXTERNAL AFFAIRS
Rec'd 7 MAR 1951
File No. 794/1

COMMONWEALTH OF AUSTRALIA.
DEPARTMENT OF EXTERNAL AFFAIRS.
AUSTRALIA HOUSE,
STRAND,
LONDON, W.C.2.

28th February, 1951.

MEMORANDUM FOR:

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Sleepers for Iraq.

With reference to my memorandum No. 187 of 21st February on the above subject, the Foreign Office now state that they do not intend to press the matter for the time being, as there is some possibility that the Sleepers may be procured elsewhere.

2. It is assumed that the supply position in Australia has not improved since your memorandum of 7th February, but we will await confirmation of this from you before finally informing the Iraqi Ambassador that nothing can be done at present to meet his request.

G.W. Legge
for EXTERNAL AFFAIRS OFFICER.

Minute F.S.T. Cumming
minuted to C.I.A.
P.M.'s
office
Accepted 8/3/51.
GWL.

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

L.50/3/1/7
GWL.LG.
No. 204.

28th February, 1951.

MEMORANDUM FOR:

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Sleepers for Iraq.

With reference to my memorandum No. 187 of 21st February on the above subject, the Foreign Office now state that they do not intend to press the matter for the time being, as there is some possibility that the Sleepers may be procured elsewhere.

2. It is assumed that the supply position in Australia has not improved since your memorandum of 7th February, but we will await confirmation of this from you before finally informing the Iraqi Ambassador that nothing can be done at present to meet his request.

EXTERNAL AFFAIRS OFFICER.

National Archives of Australia NAA: A1838, 780/1 PART 1

FWT.MS

794/1

CONFIDENTIAL

6th March, 1951.

MEMORANDUM for :-

The Director-General,
Forestry & Timber Bureau,
303 Collins Street,
MELBOURNE.

JARRAH SLEEPERS FOR IRAQ

Reference is made to your memorandum 410/41 of 2nd February, 1951, and previous correspondence and to cablegrams 1.2909 (871 from the High Commissioner's Office, London, from External) of February 13-14, 1951 and 0.2559 (968 to the Australian High Commissioner's Office, London) of 15th February, 1951, on the above subject.

Attached is a copy of a note on the subject sent to the Resident Minister, London, by the Iraqi Ambassador on 16th February, 1951.

In his letter transmitting this note to this Department, the External Affairs Officer, London, said :

> "In view of the fact that the Foreign Office may decide to renew its representations in this matter, we have so far merely informed the Iraqi Ambassador that his request has been conveyed to the appropriate authorities and that he will be further advised in due course. He was also informed of the serious shortage of jarrah sleepers in Australia."

Your advice would be appreciated.

Copies of this memorandum are being minuted to the Prime Minister's Department and the Department of Commerce & Agriculture and the Department of Defence is being separately informed of the issue.

(D. J. Munro)
for Secretary

Copies minuted to C&A and PMs.

National Archives of Australia NAA: A1838, 780/1 PART 1

FWT.MS

794/1

CONFIDENTIAL

6th March, 1951.

MEMORANDUM for :-

The Secretary,
Department of Defence,
Victoria Barracks,
MELBOURNE

JARRAH SLEEPERS FOR IRAQ

On 28th December, 1950, this Department received memorandum 1148 of 20th December, 1950, from the Acting External Affairs Officer, London (a copy of which is attached) indicating that Britain has a direct interest in the maintenance of the Iraq State Railways and would be glad if the Australian Government could help in the matter by granting an export licence for jarrah sleepers. On 11th January, 1951, a further memorandum (no. 6 of 5th January, 1951, a copy of which is attached) was received from the Acting External Affairs Officer in which was quoted a foreign office communication supporting the earlier request.

On 24th January, 1951, this Department cabled the External Affairs Officer, indicating that it was assumed an export permit would be refused. (Cablegram 0.91204, 483 to High Commissioner's Office, London, of 24th January, 1951, attached). At the same time confirmation that this assumption was correct was sought from the Director-General, Forestry & Timber Bureau and this confirmation is contained in the Director-General's memorandum 410/41 of 2nd February, 1951, a copy of which is attached. The substance of this memorandum was conveyed to the External Affairs Officer in a memorandum dated 7th February, 1951.

However, on 14th February inwards cablegram 1.2909 (871 of 13th February, 1951 from External, High Commissioner's Office, London, a copy of which is attached) was received. This cablegram stated that the impression had been created that Iraq's failure to secure Australian sleepers might have implications for the defence of the area.

In reply, this Department requested further advice before taking action and on 28th February received a memorandum from the External Affairs Officer covering a copy of a note sent to the Resident Minister, London, by the Iraqi Ambassador. In the covering memorandum the External Affairs Officer said :

> "In view of the fact that the Foreign office may decide to renew its representations on this matter, we have so far merely informed the Iraqi Ambassador that his request has been conveyed to the appropriate authorities and that he will be further advised in due course. He was also informed of the serious shortage of jarrah sleepers in Australia."

National Archives of Australia NAA: A1838, 780/1 PART 1

A copy of the Iraqi Ambassador's note is attached.

The Director-General of the Forestry & Timber Bureau has again been requested for advice on the basis of the latest information.

Any advice or comments you may wish to make on this matter would be appreciated.

(D. J. Munro)
for Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

Mr Cooksey

Mr Fowler agrees that defence should be brought in — memo put up 5/3

Jarrah slupers for Iraq.

I have drafted memo to Foreign & Trade Canberra, minuted to PMs & C&A, referring to the Burmans last memo, previous correspondence & 1.2909 & 0.2559. In the draft memo I have quoted the last two para of the External affairs officers memo 187 of 21/2/57, attached a copy of the Iraqi note & requested advice.

From Mr Byrnes I understand that you do not want defence to be informed of the request & consequently I have not minuted a copy of the memo to Defence.

However, it is suggested if the British are pressing the Iraqi case the reason may be presumed to be most probably for ~~de~~ defence purposes & our defence department would be most interested in the matter in view of the strategic importance to australia of the middle east. Our defence people may know exactly what is involved & how important the project is for defence purposes. Moreover defence should be in a position to estimate the relative claims of Iraqi & Australia for available slupers

Defence has indicated dissatisfaction, - from what I can see rightly - with the inadequacy of the liaison between this dept & defence. any tendency to regard this dept as omniscient or as being in any sense instead of merely a section of the Australian Govt should surely be avoided, especially as this dept is in some ways an auxiliary to the other depts concerned with domestic affairs & defence. The Prime Ministers latest statement suggests that liaison with defence ~~is~~ should become even more important in the future.

Therefore I suggest that defence should be given the full story of the question of jarrah slupers for Iraq & asked whether they have any comment to make & that this ~~not~~ suggestion be conveyed to P.I. as the section concerned with defence liaison.

2/3/57

National Archives of Australia NAA: A1838, 780/1 PART 1

TEMPLE [illegible] 6611.
TEMPLE B[illegible]567.

In reply quote No. L. 50/3/1/7
GWL.LG

No. 187.

COMMONWEALTH OF AUSTRALIA
DEPARTMENT OF EXTERNAL AFFAIRS,
AUSTRALIA HOUSE,
STRAND,
LONDON, W.C.2.

21st February, 1951.

MEMORANDUM FOR:

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Jarrah Sleepers for Iraq.

Attached with reference to your cable No. 968, of 18th February on the above subject is copy of a note which the Resident Minister has received from the Iraqi Ambassador.

In view of the fact that the Foreign Office may decide to renew its representations in this matter, we have so far merely informed the Iraqi Ambassador that his request has been conveyed to the appropriate authorities and that he will be further advised in due course. He was also informed of the serious shortage of Jarrah Sleepers in Australia.

GWLgp

for EXTERNAL AFFAIRS OFFICER.

E.R.

National Archives of Australia NAA: A1838, 780/1 PART 1

Fm794/1

No. 4/4/415

The Iraqi Ambassador presents his compliments to the Resident Minister for Australia and has the honour to approach him in the following matter.

The Iraqi Embassy has been approached by the competent authorities in Iraq in connection with 100,000 Jarrah Wood Sleepers which are required for the Iraqi State Railways.

It would appear that some difficulty has been experienced by the Andrew Weir Shipping and Trading Company Limited, 21, Bury Street, E.C.3. in obtaining from the Australian Government Authorities the necessary export licence for the sleepers in question and, as this matter is one of urgency, the Iraqi Ambassador would be most grateful if the Australian Minister would kindly intervene with the Australian Authorities with a view to their granting the licence.

Particulars of the sleepers are briefly as follows:

Australian Jarrah Sleepers, hewn and/or sawn at shippers' option, Standard Specification No. 10.
Quantity - about 100,000 sleepers 6' x 8" x 4½".

In expressing his thanks in anticipation of any assistance which the Australian Minister might be able to lend in this matter, the Iraqi Ambassador avails himself of the opportunity to renew the assurance of his high consideration.

LONDON, 16th February, 1951.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL

CABLEGRAM.

ACTION COPY

JG:CB

O.2559
Sent: 15th February, 1951
1815

ENCODED TO:

Australian High Commissioner's Office,
LONDON

968. UNCLASSIFIED

Your 871.

Our memorandum 56 of 7th February contains latest information available re export permits for sleepers. Before taking any further action we will await any advice from you.

E.A. (794/1)
C. & A. (Canb)
P.M.'s. Dept.

Sent 18/2
Mr Byrnes.
& file
16/2/51

16th February, 1951.

You might send to have sent copies of the cable & 871
D'Alvarez

National Archives of Australia NAA: A1838, 780/1 PART 1

Draft cablegram to: HIGH COMMISSIONER'S OFFICE, LONDON.

NO;

Date:

Your 871.

Our memorandum 56 7th February contains latest information available re export permits for sleepers. Before taking any further action we will await any advice from you.

Distribution:

RB.MS

15/2/51.

Authorised by.....

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

ACTION COPY

I.2909.

BL:MD

DECODE FROM:

Dated: 13th February, 1951.
1807.
Rec'd: 14th February, 1951.

High Commissioner's Office,
L O N D O N.

871. UNCLASSIFIED.

From External.

Your telegram 483. Sleepers for Iraq.

Position conveyed informally to Foreign Office, who have renewed their enquiries at official level and are now giving the impression that the failure to secure Australian sleepers and the resulting inability of the Iraq Government to proceed with completion of the railway project, might have implications for defence of area. They are, in fact, considering whether they should not make a stronger approach on the matter from this new angle, but before putting the case to us perhaps on Government level would be glad to know as things stand at present export permit is likely to be withheld as indicated in your telegram 483.

Glad of urgent advice.

EXTERNAL AFFAIRS (794/1)
C. & A. (CANB.)
P.M.'S DEPT.

15th February, 1951.

Mr Thompson
Previous papers file (treat as urgent)
15/2

Mr Bynes
Draft cable in reply
Refer our no. 56, today
Before today any further action
will depend further advice from
Canberra - clear with C.A. & P.M.'s
15/2

DISTRIBUTION
Secretary
Deputy Sec.
R.A.S.
U.N.
P.A.C.
E.R.
P.I.

National Archives of Australia NAA: A1838, 780/1 PART 1

LC.MS

794/1
Memo No. 56.

7th February, 1951.

MEMORANDUM for :-

External Affairs Officer,
LONDON

Sleepers for Iraq

Reference is made to our cable No. 483 of 24th January, 1951, in reply to your cable No. 373 of 19th January, 1951, and memorandum No. 6 of 5th January, 1951, concerning the granting of an export permit for sleepers required by the Iraq State Railways.

Advice now received from the Forestry and Timber Bureau confirms the advice supplied in our cable No. 483. In fact the production of sleepers relative to the demand has become more critical during the last two months and consequently it is regretted that the export of sleepers to Iraq is not possible at the present time. However, should the position improve the needs of Iraq will be borne in mind.

(D. J. Munro)
for Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

COMMONWEALTH OF AUSTRALIA

TELEGRAMS—FORBUREAU—MELBOURNE
TELEPHONE: MB 1141
G.P.O. BOX 5056Y

DEPARTMENT OF EXTERNAL AFFAIRS
Rec'd 5 FEB 1951
File No. 794/1

FORESTRY AND TIMBER BUREAU,
M.L.C. BUILDING,
305 COLLINS STREET,
MELBOURNE, C.1.

COMMUNICATIONS SHOULD BE ADDRESSED TO THE DIRECTOR-GENERAL

IN YOUR REPLY PLEASE QUOTE No. 410/41

HRG/TS

2nd February 1951

MEMORANDUM For :

The Secretary,
Department of External Affairs,
CANBERRA ... A.C.T.

Your Ref. 794/1

Receipt is acknowledged of your memorandum of the 22nd January, quoting the contents of a communication received by the External Affairs Officer, London, from the British Foreign Office regarding the supply of sleepers to the Iraqi State Railways.

It is noted that the most satisfactory tender is for jarrah sleepers, that this is provisional upon an export permit being granted, and that British authorities are anxious to assist the Iraqi Railways and for them if possible to be enabled to accept the Australian tender.

The sleeper supply position in Australia has worsened since writing my memorandum of the 14th December to the Department of Commerce & Agriculture in regard to jarrah sleepers for Ceylon. At the moment it even appears necessary to prohibit export of sleepers to New Zealand. The possibility of meeting the substantial requirements in sleepers of Iraq and Ceylon, therefore, seems more remote.

Under the circumstances, a reply in substantially the same terms as that given to the High Commissioner of Ceylon would seem to be in order, except that the last sentence might be couched in more general terms : e.g. - "It will be appreciated that at the present time the export of sleepers to Iraq is not possible, but should the production and availability for export of sleepers improve, the needs of Iraq will be borne in mind."

Mr. Corbett
Canberra
London

G. J. Rodger

(G. J. Rodger)
Director General

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

ACTION
CRS
O. 61504

DISTRIBUTION
Secretary
Deputy Sec.
E.A.M.S.
P.A.D.
E.R.
P.I.
C.C.
A.W.
A.M.S.

RR:EGM:

ENCODED TO:

Sent: 24th January 1951
1400

High Commissioner's Office,
LONDON.

483. UNCLASSIFIED.

Your 373. Sleepers for Iraq.

Recent request by Ceylon revealed that Jarrah sleepers are produced only in Western Australia where output has been reduced by the demands for building timber. Present production sleepers in Australia is insufficient to meet the needs of the Commonwealth and State Railways and South Australia has, in fact, placed orders for substantial quantities overseas.

Export permit to Ceylon was refused. We assume that same position holds for Iraq. However, confirmation has been sought and we will advise further.

E.A. (794/1)
C. & A. (Canberra)
P.M.'s DEPT:

25th January 1951

file Middle East
HE1 file please 26/1/51

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1

Draft Cablegram: AUSTRALIAN HIGH COMMISSIONER'S OFFICE, LONDON

No:

Date:

UNCLASSIFIED

Your 373. Sleepers for Iraq.

Recent request by Ceylon revealed that Jarrah sleepers are produced only in Western Australia where output has been reduced by the demands for building timber. Present production of sleepers in Australia is insufficient to meet the needs of the Commonwealth and State Railways, and South Australia has, in fact, placed orders for substantial quantities overseas.

Export permit to Ceylon was refused, we presume that same position holds for Iraq. However, confirmation has been sought and we will advise further.

Distribution: EA.

LC.MS

23/1/51

Authorised by.....

National Archives of Australia NAA: A1838, 780/1 PART 1

LC.MS

794/1

22nd January, 1951.

MEMORANDUM for :-

The Director-General,
Forestry & Timber Bureau,
305 Collins Street,
MELBOURNE

Reference is made to your memorandum of 14th December, 1950, (Ref. No. 103/49) to the Department of Commerce & Agriculture, concerning the granting of an export permit for jarrah sleepers to Ceylon. A copy of your memorandum was forwarded to this Department in order that a reply to the High Commissioner for Ceylon, who had made representations to the Department, could be prepared. A copy of the letter sent to the High Commissioner for Ceylon is attached for your information.

Quoted below are the contents of a communication received by the External Affairs Officer, London, from the British Foreign Office regarding the supply of sleepers to the Iraqui State Railways -

"As you may know, the Iraqi State Railways have been in financial difficulties, during the post war years. In 1949 their position became so acute that His Majesty's Government made a loan of £3 million to the Iraq Government to assist Railway recovery. This is taking place slowly.

"Recently, the British Director-General of the Railways spoke to the Commercial Counsellor of our Embassy at Bagdhad about tenders which he has received for the supply of 100,000 metre-gauge sleepers, which are urgently required by the Railways. The most satisfactory tender is for jarrah wood sleepers from Australia, but the tender is apparently provisional on an export permit being granted by the Australian authorities.

National Archives of Australia NAA: A1838, 780/1 PART 1

"We are most anxious to assist the Railways in any way we can in their present difficulties, and should greatly appreciate anything you may feel able to do to facilitate the issue of the export permit and the supply of the material.

"The Board of Trade, to whom I am sending a copy of this letter, share our view that the Iraqi Railways should, if possible, be enable d to accept the Australian tender."

It is assumed that a reply should be made in substantially the same terms as that given to the High Commissioner for Ceylon. Your confirmation would, however, be appreciated.

(D. J. Munro)
for Secretary

National Archives of Australia NAA: A1838, 780/1 PART 1

:::JHH DEPARTMENT OF EXTERNAL AFFAIRS

CABLEGRAM FROM: **CABLEGRAM.**

Sent: 19th January, 1951.
0346
Recvd: 20th January, 1951.
0900 hours.

ACTION COPY

The Australian High Commissioner,
LONDON.

373. UNCLASSIFIED.

From External Affairs.

My memorandums Nos. 1148 and 6.

Sleepers for Iraq. Glad of early reply.

E.A.(794/1).
C. & A.(Canberra).
P.M's. DEP'T.

22nd January, 1951.

National Archives of Australia NAA: A1838, 780/1 PART 1

TEMPLE [illegible] 6611.
TEMPLE L[illegible]1567.

In reply quote No. L.50/3/1/7
GWL/BME

No. 6.

MEMORANDUM FOR:

COMMONWEALTH OF AUSTRALIA.
DEPARTMENT OF EXTERNAL AFFAIRS.
AUSTRALIA HOUSE.
STRAND.
LONDON, W.C.2.

5th January, 1951.

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

I refer to my Memorandum No. 1148 of 24th December 1950 regarding the supply of Australian sleepers to the Iraqi State Railways, and wish to inform you that a communication in support of the Iraqi request has now been received from the Foreign Office in the following terms:

"As you may know, the Iraqi State Railways have been in financial difficulties, during the post war years. In 1949 their position became so acute that His Majesty's Government made a loan of £3 million to the Iraq Government to assist Railway recovery. This is taking place slowly.

"Recently, the British Director-General of the Railways spoke to the Commercial Counsellor of our Embassy at Bagdhad about tenders which he has received for the supply of 100,000 metre-gauge sleepers, which are urgently required by the Railways. The most satisfactory tender is for jarrah wood sleepers from Australia, but the tender is apparently provisional on an export permit being granted by the Australian authorities.

"We are most anxious to assist the Railways in any way we can in their present difficulties, and should greatly appreciate anything you may feel able to do to facilitate the issue of the export permit and the supply of the material.

"The Board of Trade, to whom I am sending a copy of this letter, share our view that the Iraqi Railways should, if possible, be enabled to accept the Australian tender."

for ACTING EXTERNAL AFFAIRS OFFICER.

National Archives of Australia NAA: A1838, 780/1 PART 1

TEMPLE BAR 6611.
TEMPLE BAR 1567.

In reply quote No. JPQ.EW
L50/3/1/7

No.1148

DEPARTMENT OF EXTERNAL AFFAIRS
Initd 28 DEC 1950
File No. 194/1
1950/1

COMMONWEALTH OF AUSTRALIA.
DEPARTMENT OF EXTERNAL AFFAIRS.
AUSTRALIA HOUSE,
STRAND,
LONDON, W.C.2.

20th December 1950

MEMORANDUM FOR : The Secretary,
Department of External Affairs,
CANBERRA.

The Office of the Senior Government Trade Commissioner has referred to us an informal request from the Foreign Office that we should look into the question of supplying Western Australian jarrah sleepers to the Iraq State Railways. The Foreign Office has stated that the United Kingdom has a direct interest in the maintenance of the Iraq State Railways and would be glad if the Australian Government could help in the matter of an export license. Apparently tenders have already been called for sleepers and a Western Australian firm has put in an acceptable tender but stressed that no contract could be carried out without an export license.

The Senior Government Trade Commissioner's Office has explained the difficulties which have arisen in the case of jarrah and karri which was on order for the National Coal Board and British Railways. We, for our part, have pointed out that the Australian authorities would probably not be willing to divert supplies from traditional customers, e.g. those in South Africa, but that if they would put their sponsorship of the Iraqi request in writing we would ensure that it would receive consideration. We were then told that a written communication would be forthcoming but were asked if we would explain the position to the Department of External Affairs on the basis of our telephone conversations. This we agreed to do and the foregoing is accordingly transmitted.

Acting External Affairs Officer.

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1/1

RE-SETTLEMENT OF ARAB REFUGEES

Any attempt to evolve a permanent solution to the problem of Arab refugees requires initially at least two basic decisions:

(a) The kind of job to be done

(b) The most appropriate organization to do it.

The answer to (a) largely determines the answer to (b)

Acute present and future political difficulties would be overcome if the refugees could be re-settled in the Arab states and it is assumed that this is the ultimate objective. The economic difficulties in the way of such a solution arise from the economic backwardness of these areas and the consequent familiar problem of "surplus population". At present, the attempt to re-settle the refugees would mainly intensify the problem of finding adequate means of support for the population generally.

It might be submitted that the problem is essentially one of general economic development and that if this could be promoted the refugees could easily be absorbed in useful employment. This is true enough but it does not make the solution to the immediate problem any nearer. Instead, all the problems of economic development of under developed areas are raised and the United Nations, particularly, has already been struggling with the problems for several years. The problem of promoting adequate foreign investment in particular is raised and a solution certainly does not seem likely in time to be of much use to the acute and pressing problems of the refugees. Ultimately, general economic development would remove the causes of under employment in these areas but it is too far in the future to be posed as a solution to the refugee problem. By the time general economic development got under way in the Middle East very few of the present refugees would be left to take any interest in it.

But there still remains the question of whether specific projects, developmental in character but also capable of providing employment for large numbers of refugees could not be promoted. Here two main problems arise:

(a) Finding and planning the projects

(b) Finance

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On general grounds it seems reasonable to assume that there would be adequate scope for developmental projects in the Arab countries suitable for the employment of refugees. They might be roads, railways, irrigation works or similar basic works. They need not directly and exclusively employ refugees; opportunities might be created indirectly. To distinguish such projects however should be the task of an expert Working Party and perhaps the Economic Survey Mission will give some guidance. It seems likely however that the appointment of a group charged with this specific responsibility would be necessary.

The main financial problem is one of securing international assistance. This might be made easier by making the purpose of the scheme specifically the re-settlement of refugees, instead of general economic development. A contributory scheme might then be possible to replace the present relief scheme. Even the same sum as that required to maintain 700,000 refugees on a relief basis would give the scheme a good start. A modest beginning by starting the flow of refugees to re-settlement areas and breaking down the present impasse would be an important step forward.

A specific re-settlement scheme should also help solve the organizational problem. So long as simply general economic development was envisaged it would be difficult to avoid a fully representative organization along the lines of the Regional Commission. The U.S.S.R. would virtually have to be included if the U.K. and U.S.A. were included (and it would be ineffective without them) and, in these circumstances, we would be less than realistic to suppose that such a body would even be capable of effective executive action. We could hardly seriously propose such a representative body to deal with a problem which requires prompt and decisive measures.

These considerations have no doubt led the United Kingdom to propose an organization outside U.N.. In this they would doubtless be fully supported by the United States so long as any U.S. funds were involved.

It is desirable, however, that, if possible, such activities should be kept within U.N. and this might be possible

National Archives of Australia NAA: A1838, 780/1 PART 1

by posing the problem as one of distinguishing and executing specific projects for the re-settlement of refugees in Arab countries.

Membership might then be decided on the basis of direct and substantial participation - the countries of the area and the contributing countries. Contributing countries might then be asked to specify their contributions either in money, technical assistance or kind, whichever might be most useful. The organization would then take on a technical and executive character rather than a representative character. In other words, contribution rather than interest would determine outside membership. The U.S.S.R. might, of course, still be a member but on a more circumscribed basis.

The following concrete proposal might therefore be put forward:

(a) An expert group should be appointed to draw up, in consultation with the Arab Governments, specific productive projects for the employment of refugees.

(b) An organization, within the United Nations, consisting of Arab countries and contributing countries, should be set up to implement the programme.

S.S.W. 8/11

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1/1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

EGM:EGM:

O.4828
Sent: 30th March 1949
1130

ENCYPHERED TO:

AUSTRALIAN EMBASSY,
WASHINGTON.

RESTRICTED.

802.

Your 301. Please inform representative of Israel that we have no objection to establishment of Consulate-General at Sydney, with jurisdiction over Australia. With regard to jurisdiction over New Zealand, we assume Israeli Government will communicate with New Zealand Government. (For your own information we have passed a copy of your telegram to New Zealand).

It is not the immediate intention of the Australian Government to make any reciprocal appointment in Israel.

A/MIN. & DEPT: E.A.

30th March 1949

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1/1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

This is an unparaphrased version of a cypher message. It is not to be distributed outside a Branch Commonwealth Government Department or Legation necessarily without paraphrasing. It is not to be downgraded below "restricted".

I.4970.

MD:MD

DECYPHER FROM:

Dated: 26th March, 1949.
1439.
Rec'd: 27th March, 1949.

THE AUSTRALIAN EMBASSY,
WASHINGTON.

301. Restricted.

Ambassador has received note from the Special Representative of Israel; advising that his Government proposes to establish a Consulate-General at Sydney with jurisdiction over Australia and New Zealand. The Government of Israel expresses the hope that reciprocal arrangements can be made soon for the appointment of a Representative of the Government of Australia in Israel. In view of commercial interests at stake, the Government of Israel is desirous of proceeding with the establishment of the Consulate-General in Sydney pending such arrangements. The Government of Israel enquires if the arrangement proposed would meet with the approval of the Government of Australia.

A/G. MIN. & DEPT. EXTERNAL AFFAIRS.

28th March, 1949.

Copies received

Secretary	1
AS (P)	1
E	1
ME	1
A	1
LC	1
IT	1
Sec	1
ANT	1
UN	1
SR	1
Adm	1
A/cs	1

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

194/1/1

CABLEGRAM.

JO:MD

I.20371.

DECYPHER FROM:

Dated: 24th December, 1948. 1850.

THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS, LONDON.

Rec'd 25th December, 1948. 1600.

IMPORTANT. CONFIDENTIAL.

Addressed to the Australian Government No.328, repeated to the New Zealand Government No.264.

Your telegram 21st December, No.329.

Recognition of Israel.

The views of the United Kingdom Government on recognition of state of Israel remain unchanged. Recognition is not envisaged at present but its advisability will be considered if and when it appears that a Palestinian settlement is in sight in which both sides can at least acquiesce. We will let you know as soon as there is any development in our attitude.

2. Meanwhile we are making preliminary study of obligations which Government of Israel should be expected to assume in event of recognition.

3. As regards trade channels and administrative contact no obstacle is being placed in the way of trade relations with the area subject to general principles governing overseas trade and to our obligations under the United Nations arms embargo. Sterling balances have been released where essential supplies for Palestine are concerned. United Kingdom ships are accepting cargoes for Israel and a large proportion of the citrus crop has been purchased for consumption in the United Kingdom. Commercial contacts have hitherto been mostly between private individuals on the one side and competent authorities on the other and direct approaches between Government agencies on both sides have been tacitly avoided. But the opening of a Consular Office at Tel Aviv in addition to Haifa and Jerusalem is now under discussion with improvement of trade relations as one of its principal objects. It will not imply recognition of Israel.

4. We are informing other Commonwealth Governments in the above sense.

EXTERNAL AFFAIRS (ATTENTION)(191/1/4)

26th December, 1948.

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY CEM/PH

794/1/1.

4th January, 1949.

Dear Sir,

I refer to your letter No.P.I.41/795 of 1st October, 1948, advising that a parcel of wheat for Iraq had been forwarded to this Department.

I now have to advise that the samples duly arrived in Iraq and were handed by the British Consul, Amarah, to Mr. Gorgis. The seed has been sown and in due course the Consul will report on the result.

The Consul has asked that this Department convey to you the sincere thanks of Mr. Gorgis for making this seed wheat available to him.

Yours faithfully,

(John W. Burton.)
Secretary.

The Under Secretary and Director,
Department of Agriculture,
Box 36A, G.P.O. SYDNEY.

R/s
5/1/49

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF
EXTERNAL AFFAIRS
Rec'd 31 DEC 1948
File No. 794/1/1

THE BRITISH CONSULATE,
AMARA, 'IRAQ,
20TH DECEMBER, 1948

No:- 34/380

The Secretary,
Department of External Affairs,
Commonwealth of Australia,
Canberra,
AUSTRALIA

Dear Sir,

Ref. your No. 794/1/1 dated 11th October, 1948 and your No. 794/1/1 dated 27th October, 1948 I thank you for the help you have been in this matter and Mr Gorgis to whom the wheat seed has been handed also expresses his sincere thanks. The seed has been sown and in due course I hope to be able to inform you of the result.

Yours truly,

M. [illegible]

Mr M. McKenzie

Convey thanks to
Dept concerned

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

DRAFT CABLE TO: SECRETARY OF STATE FOR COMMONWEALTH RELATIONS, LONDON.

REPEAT TO: GOVERNMENT OF NEW ZEALAND.

Date:

No:

We should be glad of advice as to present views of United Kingdom Government on the question of recognition of the state of Israel. We feel it is desirable that any action taken by our two Governments should harmonise so far as possible. To this end we would like to be kept informed of your attitude on the broad question of recognition.

Meanwhile pending recognition of Jewish and Arab authorities in Palestine we are anxious to enqure the maintenance of trading relations with the area. We should therefore be glad to know urgently what measures if any you have taken to keep open trade channels with Israel and Arab area of Palestine and whether contact is maintained on the administrative level by any British Government agency with the corresponding agency in Palestine.

20/12/48.

ND/JBB.

File JBB 21/12/48

National Archives of Australia NAA: A1838, 780/1 PART 1

Mr Bruton now wants to tell UK & NZ formally that we are anxious about trade. Recog[n] might be simplest course would want to exchange views on this.

(See Middleton file)

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

:NER

I.19895

DECYPHER FROM:

Dated 16th December, 1948
Q152

THE AUSTRALIAN DELEGATION
TO THE UNITED NATIONS,
PARIS.

Recd. 16th December, 1948
1400

Immediate. Confidential.

265. For Burton from Hood. Your telegram UNP120.

Position will be clearer after resumption of Security Council consideration 17th December of Israeli application for United Nations membership. Favourable decision however is still in doubt. Meanwhile our general attitude during Assembly undoubtedly makes early recognition next logical step for us. Could explain background by telephone and will call you eight p.m. Canberra time Thursday.

EXTERNAL AFFAIRS (794/1/1)

16th December, 1948

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM. **SECRET.**

ALF:MC

O. 17659.

DECODE TO:

Dated 15th December, 1948.

15.10.

AUSTRALIAN DELEGATION
TO THE UNITED NATIONS,
PARIS.

Secret. UNP.120.

Israeli authorities seem likely to raise formally with us in the near future the question of entering into trade negotiations. Recognition of Israel is involved.

Please advise present position so far as the general question of recognition is concerned and whether recognition should now be considered again by the Government.

E.A.(794/1/1).

15th December, 1948

ACTION COPY

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1/1

DRAFT TELEGRAM TO THE AUSTRALIAN DELEGATION TO THE UNITED NATIONS, PARIS.

NO:

DATE:

SECRET

Israeli authorities seem likely to raise formally with us in the near future the question of entering into trade negotiations, ~~and~~ recognition of Israel ~~seems to be~~ is involved the easy solution ~~to enable these negotiations to proceed.~~

Please advise present position so far as the general question of recognition is concerned and whether recognition might now be considered again by the Government.

15th December, 1948.

Distribution

E.A.

JWC

National Archives of Australia NAA: A1838, 780/1 PART 1

EXTERNAL AFFAIRS

FOR THE SECRETARY

TRADE WITH PALESTINE

Attached for your approval is a draft telegram to Heydon, which I have discussed and cleared with Deschamps and Loomes.

2. A Cabinet decision of 2nd June last clearly prevents us from according recognition to Israel. However, it seems that we should attempt to find some middle course to conduct trade negotiations with a regime which we do not oppose but merely hold in a state of "suspended animation". Otherwise, we tend to apply economic sanctions on insubstantial legal grounds.

14th December, 1948.

Economic Relations

JWC

National Archives of Australia NAA: A1838, 780/1 PART 1

DRAFT TELEGRAM TO THE AUSTRALIAN HIGH COMMISSIONER'S OFFICE, LONDON.

NO:

DATE:

For Heydon from External.

We expect a formal approach from the Israeli authorities to open negotiations for supply by Australia of certain commodities, including wheat, butter, cheese and meat. Quite apart from any difficulties in supply, negotiations of this kind might imply recognition of the State of Israel and this we must avoid at this stage. We should, however, like to find some middle course which would enable trade to proceed without affecting our position so far as recognition is concerned.

We think that the United Kingdom may already have engaged in some trade negotiations with the Israeli authorities and, if so, must have been careful to avoid any action which might imply recognition of an Israeli Government.

Please ascertain, informally, United Kingdom position and advise urgently.

14th December, 1948.

Distribution

E.A.

JWC

Pl. send letter to Paris + Rome saying ? of trade is arising + recognition is easy solution what position is & what recognition should now be contemplated —

DRAFT TELEGRAM TO THE AUSTRALIAN HIGH COMMISSIONER'S OFFICE, LONDON.

NO:

DATE:

For Heydon from External.

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Please ascertain, informally, United Kingdom position and advise urgently.

14th December, 1948.

Distribution

E.A.

JWC

National Archives of Australia NAA: A1838, 780/1 PART 1

EXTERNAL AFFAIRS.

MR. CUMES:

It seems to me that the attached letter is in the nature of a warning that before very long we shall be approached by the representatives of the Israel Government concerning important government to government negotiations on supply of commodities. Under these circumstances I believe we should endeavour to clarify further the attitude which the government will take to such approaches, and their implications for "recognition" of the State of Israel.

2. This correspondence illustrates my view that ~~trade negotiations~~ are in fact negotiated between the government of the United Kingdom and the "authorities" in Palestine on important trade matters regardless of the fact that the United Kingdom has extended no recognition to the State of Israel.

3. I also believe strongly that it should be possible to find a working arrangement which reconciles trade arrangements with this area with protection of the government's freedom of action concerning recognition of a State and its government. We should, I think, ask Heydon to make informal enquiries as to how the United Kingdom handles this situation.

4. Since the Minister will not return until mid January we are unlikely to make any decision concerning recognition of the State of Israel before then. It remains to be seen whether or not the United Kingdom government will veto the application of Israel now before the Security Council. If the Security Council recommended admission of Israel, the admission could not take place until the April Session of the Assembly. If the Security Council turns down the application there is doubt whether the Australian Government would proceed in the near future to recognise the State in view of the Cabinet decision that recognition would be reconsidered after the admission of Israel to the United Nations. We must assume, therefore, that no decision will be taken by the government until after the Minister returns, and possibly until after the Assembly considers admission to the United Nations in April.

5. Discussions concerning wheat transactions may well be opened before then.

6. Would you take this question up with Mr. Deschamps and follow up my proposal concerning enquiries in London?

7. It might be appropriate to inform New Zealand of what we are doing?

(A.H. TANGE)
~~United Nations Division~~.

10th December, 1948.

National Archives of Australia NAA: A1838, 780/1 PART 1

AUSTRALIAN EMBASSY
WASHINGTON, D. C.

30th November, 1948.

Mr. J. W. Burton,
Secretary,
Department of External Affairs,
CANBERRA, A.C.T.,
Australia.

Dear Mr. Burton,

I am forwarding for your information copies of letters passing between Dr. L. Samuel, Representative of the State of Israel, and myself and forwarded by me today to Mr. McCarthy, Secretary, Department of Commerce.

Yours faithfully,

J. G. Crawford.

Encls.

National Archives of Australia NAA: A1838, 780/1 PART 1

COPY

STATE OF ISRAEL,
Mission to the United States,
Washington, D.C.

ADams 5411. November 22, 1948.

No. 4508.

Dear Mr. Crawford:

I should appreciate if you would be kind enough to grant me an interview. The purpose would be to discuss with you briefly imports of food from Australia to our country.

Sincerely Yours,

L. Samuel,
Israeli Observer at the Conference
Agricultural Adviser to the Treasury,
Tel Aviv.

Mr. T. G. Crawford
Director, Bureau of Agriculture Economics
Canberra, at present FAO Conference
(Shoreham Hotel 501-0)
Washington, D.C.

National Archives of Australia NAA: A1838, 780/1 PART 1

COPY

23rd November, 1948.

Mr. L. Samuel,
Israeli Observer at the Conference,
State of Israel Mission to the U.S.,
Washington, D.C.

Dear Mr. Samuel,

In reply to your enquiry of 22nd November I would be happy to talk informally with you about the subject of exports of food from Australia to Palestine.

You will appreciate that the discussion must be informal as I am not the officer responsible for trade policy on behalf of the Commonwealth of Australia.

Yours sincerely,

J. G. Crawford,
Director,
Bureau of Agricultural Economics.

JGC/gk

National Archives of Australia NAA: A1838, 780/1 PART 1

COPY

State of Israel,
Mission to the United States,
Washington, D.C.

No. 4562.

Dear Mr. Crawford,

Referring to my interview with you, I should lik[e] following information:

Until July, this year (1948) Palestine's imports of food from Australia were included in the bulk purchases made by the British Ministry of Food. Since, then, too, we may purchase cereals and flour from Australia, under the I.E.F.C. Scheme, and for instance millet outside any allocations. But we cannot purchase butter, cheese, other dairy products and meat, unless the British Ministry of Food would let us have a share of the quantities it has bought from Australia. For the time being, this means that we cannot import these commodities.

I believe that this problem can be solved with the assistance of your Government.

For 1948, the British Ministry of Food had made rather ample provisions for supplies from Australia to Palestine amounting to about 1,500 tons of frozen meat and over 1,000 tons of butter and cheese each. A part only could be procured and as matters stand now, we cannot buy anything in 1949 of the above quoted commodities unless the Australian Government would include us in their export program.

In conclusion, I may add that we bought from Australia during 1948 very large quantities of flour, but that so far no wheat was available for us. I hope that in the future the Australian wheat Board would be prepared to let us have part of our I.E.F.C. allocation in the form of wheat. If an understanding could be reached in this subject, we would very likely make arrangements over an extended period.

I shall greatly appreciate if this brief information would lead to formal negotiations in the near future and I shall advise my Government to contact your authorities in due course.

I beg to remain

Sincerely yours,

L. Samuel,
Food Requirements and Program Officer
in Washington
Agricultural Adviser to the Treasury,
Tel Aviv.

Mr. J. G. Crawford,
Director, Bureau of Agricultural Economics,
Department of Commerce and Agriculture
Canberra, at present FAO Conference
Washington, D.C.

National Archives of Australia NAA: A1838, 780/1 PART 1

MR. CUMES:

It seems to me that the attached letter is in the nature of a warning that before very long we shall be approached by the representatives of the Israel Government concerning important government to government negotiations on supply of commodities. Under these circumstances I believe we should endeavour to clarify further the attitude which the government will take such approaches, and their implications for "recognition" of the State of Israel.

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3. I also believe strongly that it should be possible to find a working arrangement which reconciles trade arrangements with this area with protection of the government's freedom of action concerning recognition of a State and its government. We should, I think, ask Heydon to make informal enquiries as to how the United Kingdom handles this situation.

4. Since the Minister will not return until mid January we are unlikely to make any decision concerning recognition of the State of Israel before then. It remains to be seen whether or not the United Kingdom government will veto the application of Israel now before the Security Council. If the Security Council recommended admission of Israel, the admission could not take place until the April Session of the Assembly. If the Security Council turns down the application there is doubt whether the Australian Government would proceed in the near future to recognise the State in view of the Cabinet decision that recognition would be reconsidered after the admission of Israel to the United Nations. We must assume, therefore, that no decision will be taken by the government until after the Minister returns, and possibly until after the Assembly considers admission to the United Nations in April.

5. Discussions concerning wheat transactions may well be opened before then.

6. Would you take this question up with Mr. Deschamps and follow up my proposal concerning enquiries in London?

7. It might be appropriate to inform New Zealand of what we are doing.

(A.H. TANGE)
United Nations Division.

10th December, 1948.

MR. DESCHAMPS: (Attachment referred to in this memorandum is interview by the representative of the State of Israel with J.G. Crawford in Washington concerning procurement in Australia of wheat and flour during 1949).

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY CEM/PH

794/1/1.

Memo No:

CANBERRA, A.C.T.

27th October, 1948.

Dear Sir,

I refer to my letter of 11th October, concerning a parcel of wheat seed for a farmer in Iraq.

Advice regarding the price of seed wheat has now come to hand. The price of certified seed which is sold for export would vary from time to time depending upon the Australian export price of fair average quality wheat. At present the export price of f.a.q. wheat is 16/4d (Australian currency) per bushel, bagged.

Because the export price for wheat fluctuates from time to time, it is suggested that if your correspondent wishes to obtain seed wheat from Australia, he should obtain a quotation through commercial channels as a preliminary to placing an order.

Yours sincerely,

(John W. Burton.)
Secretary

The British Consul,
AMARAH,
Iraq.

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY JWC/PH

25th October, 1948.

Dear Garnett,

My apologies for the delay in replying to your letter concerning relief for Palestine refugees.

Attached is a copy of a release which was made to the press on 14th October last, and which, I think, answers your query on publicity.

This subject is not directly in my field but Tange and/or Bridgland would be able to give you any further information you may need.

Yours sincerely,

(J.W.C. Cumes)

W. J. Garnett, Esq.,
Office of the High Commissioner for the
United Kingdom,
CANBERRA.

National Archives of Australia NAA: A1838, 780/1 PART 1

FOR THE PRESS.

AUSTRALIAN FOOD FOR PALESTINE REFUGEES

One thousand tons of wheat, fifty tons of butter and fifty tons of cheese are on their way to the United Nations mediator for the relief of Arab and Jewish refugees in Palestine.

This consignment of food is being carried in two ships, the "Nyhorn" and the "Hermion".

The allocation of relief food was made at the request of Count Bernadotte shortly before his assassination,

30 per cent of the refugees are children under the age of 5 years and the remainder are mostly women and elderly people.

The relief supplies are part of Australia's 4-million pounds allocation for post-UNRRA relief. The despatch of this food to Palestine will not affect supplies available for the United Kingdom.

The Australian scientist, Sir Raphael Gilento, who is at present director of United Nations relief will supervise the distribution of the food.

Arrangements for the despatch of this food necessitated investigation of Middle East facilities for the handling of bulk supplies, and availability of shipping.

After it was ascertained that it would be necessary to send bagged wheat and canned dairy goods these had to be acquired on the Australian market and shipping arranged. This has now been completed and the supplies are on their way.

National Archives of Australia NAA: A1838, 780/1 PART 1

COMMONWEALTH OF AUSTRALIA.

TELEGRAMS: SECCOM, CANBERRA. JR:JK

PLEASE ADDRESS REPLY TO "THE SECRETARY" AND QUOTE M68/19/1

DEPARTMENT OF COMMERCE AND AGRICULTURE,
CANBERRA, A.C.T.

DEPARTMENT OF EXTERNAL AFFAIRS
Received
21 OCT 1948
794/1/1

19th October, 1948.

MEMORANDUM:

Wheat Samples for Iraq.

Receipt is acknowledged of your memorandum 794/1/1 of 8th October regarding the above. In connection with the British Consul's enquiry regarding price, it is suggested that he be advised in the following terms:-

> "The price of certified seed wheat which is sold for export would vary from time to time depending upon the Australian export price of f.a.q. wheat. The actual price of seed grade wheat would be somewhat higher than the ruling price for f.a.q. (fair average quality) wheat. At present the export price of f.a.q. wheat is 16/4 (Australian currency) per bushel, bagged.
>
> Because the export price for wheat fluctuates from time to time, it is suggested that if your correspondent wishes to obtain seed wheat from Australia, he should obtain a quotation through commercial channels as a preliminary to placing an order."

E. McCarthy JR
Secretary.

19th October, 1948.

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1/1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

2.

YER/jb

EXEMPTED FROM [illegible] I.16816
1950
CUSTRAL AT DELEGATION [illegible] Rec'd October 21, 1948
UNITED NATIONS (GRANT) [illegible] 0820
PARIS

AUSDEL 96.

Relief for Arab Refugees.

On the motion of the United Kingdom, the debate in the Third Committee on Human Rights was interrupted 20th October to hear statements from Bunche and Cilento on the needs of Arab refugees now actually starving.

2. The Acting Mediator stated that 30 million dollars would be needed for relief from December 1 1948 to August 30 1949 when the next harvest will be in. This comprised food 18 million dollars (mostly cereals and vegetable oil) clothing 7 million dollars, medical 3.5 million dollars, transport 1.5 million dollars. Number of refugees now estimated at 500,000 half in Arab Palestine, rest shared evenly among Syria, Lebanon and Transjordan. No discussion as statement not listed on day's agenda. Committee will discuss 21st October what to take up debate on 23rd idem.

3. Bunche did not raise the question of resettlement because Bernadotte recommended repatriation to Israel. Hence 30 million dollars includes no contribution to permanent solution of problem. Cilento considers repatriation quite unrealistic. Probably an additional sum should be sought later for resettlement U.N.R., by clearing malaria out of lower Jordan valley.

4. British Commonwealth meeting discussed how to raise 30 million dollars. Americans cannot commit themselves to their source till after November 2 elections. British inclined to believe that United States cannot contribute till new Congress meets next spring. Hence United Kingdom is considering proposal that 7 million dollars should be advanced from United Nations working capital fund. They are also anxious to get 5 million dollars from I.C.E.F. (see following telegram). It might be proposed that Assembly should ask all nations to contribute having in mind a scale like U.N. contribution scale. Administration would be by director relief project with help from specialised agencies.

E.A.
TREASURY
October 22, 1948

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1/1

FILE COPY CEM/PH

Memo No:

File No.794/1/1.

CANBERRA. A.C.T.

11th October, 1948.

Dear Sir,

I refer to your letter No.34/212 of 8th June, 1948, requesting a sample of suitable Australian wheat seed for a local farmer in Iraq.

A parcel of wheat seed consisting of 2 lbs of each of the varieties listed below have been forwarded by sea bag through London.

Gular
Charter
Yendee
Yalta

These are all varieties of early maturity and should prove suitable for cultivation in Iraq. All are good baking quality and the latter three are resistant to stem rust.

Phytopathological certificates issued by the New South Wales Department of Agriculture are attached.

Details of prices will be forwarded as soon as possible.

Yours sincerely,

Secretary

The British Consul,
Amarah,
IRAQ.

National Archives of Australia NAA: A1838, 780/1 PART 1

CEM.CB

794/1/1.

8th October,1948.

MEMORANDUM for:-

The Secretary,
Department of Commerce & Agriculture
CANBERRA. A.C.T.

(Attention Mr. Richardson)

Wheat Samples for Iraq

With reference to my memorandum of 24th June,1948. and your reply of 30th June,1948, (your reference M.68/19/1) concerning the above subject,I now advise that a parcel of wheat seed consisting of 2lb samples of the varieties listed below has been received from the New South Wales Department of Agriculture.

GULAR
CHARTER
KENDEE
YALTA

I would be glad if you could obtain for transmission to the British Consul,Amarah,details of the prices of the above types of seed wheat.

Attached is a copy of the letter from the British Consul,Amarah.

Secretary.

National Archives of Australia NAA: A1838, 780/1 PART 1

TELEGRAPHIC ADDRESSES:
GENERAL: AGRIDEPT, SYDNEY.
ANIMAL INDUSTRY: ANIMALIND, SYDNEY.
GRAIN ELEVATORS: GRAINVATOR, SYDNEY.
EXPORT & IMPORT BRANCH: AGRIMPEX, SYDNEY.
TELEPHONE: B 06 EXTN.

NEW SOUTH WALES.

Bt 7110

DEPARTMENT OF EXTERNAL AFFAIRS
194/1/1
5 OCT 1948

DEPARTMENT OF AGRICULTURE
(FARRER PLACE),
BOX 36A, G.P.O., SYDNEY,

1st October, 1948.

IN YOUR REPLY, PLEASE QUOTE THIS NUMBER.
CKV.MO.
P.I.41/795.

The Secretary,

Department of External Affairs,

CANBERRA. A.C.T.

Dear Sir,

In reply to your letter of 7.7.48 (794/1/1) a parcel of wheat seed consisting of 2 lb. samples of the varieties listed below has been forwarded to you.

Gular
Charter
Kendee
Yalta.

These are all varieties of early maturity and should prove suitable for cultivation in Iraq. All are of good baking quality and the latter three are resistant to stem rust.

Phytopathological certificates issued by this Department are attached herewith.

Yours faithfully,

R.J. NOBLE.
UNDER SECRETARY & DIRECTOR.

Per:

ER
Dressed

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY CEM/PH

794/1/1.

7th July, 1948.

Dear Sir,

Attached is a copy of a note received from the British Consulate, Amarahi, Iraq, requesting a small sample of suitable wheat for a farmer in that locality.

I would be glad if you could supply a small quantity (say 5 or 10 pounds). This Department would be prepared to arrange delivery of the parcel through the British Authorities.

No objection has been raised by Commonwealth Authorities to the export of such a sample.

Yours sincerely,

John W. Burton.
Secretary

The Secretary,
Department of Agriculture,
Farrer Place,
SYDNEY.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

794/1/1

CABLEGRAM. **SECRET.**

THE QUOTATION OF THIS CABLEGRAM WITHOUT PARAPHRASE EXCEPT IN A SECRET DOCUMENT WILL COMPROMISE THE CYPHER USED. REGARDLESS OF CONTENT IT MUST ALWAYS REMAIN SECRET.

PM/MEB.

O. 09468.

DECYPHER TO :

Sent : 7th July, 1948.
10.00. a.m.

AUSTRALIAN EMBASSY.
WASHINGTON U.S.A.

634.

For Garside from Commerce.

1. Wheat Board has sold one cargo of flour to Lebanon for shipment during July/September quarter following claim by Lebanon that I.E.F.C. had allocated three cargoes of which we had previously supplied only two. Although we do not agree that I.E.F.C. allocated three cargoes to Lebanon Wheat Board sold cargo in belief that Lebanon had outstanding allocation as claimed.

2. Russians have shown renewed interest in purchase of Australian wheat and flour and subject to agreement on price we have indicated that we expect to be able to supply one cargo of flour and for wheat for shipment in Russian vessel about mid August. Please inform Tonkin who can explain our interest in proposed sale to Russia.

3. Wheat Board is now endeavouring to find export markets for off grade wheat below 54 lb to bushel. Most of this wheat has been disposed of locally for stock feed but it appears that there will be an exportable surplus of between three and four million bushels in New South Wales. Wheat Board has asked trade to assist in finding oversea buyers, Japan appears possible market and traders have obtained an odd enquiry or two from other countries. As internal transport is flat out to move f.a.q. wheat it is not likely that much wheat under 54 lb. can be shipped for some months. We should be glad of your advice as to how I.E.F.C. will treat shipments of sub-standard wheat. From information received by trade it appears that overseas buyers will be given import licences only if such shipment are outside I.E.F.C. allocations for food.

MIN & DEPT OF C. & A. M67/4/17. 7th July, 1948.
TREASURY.
EXTERNAL AFFAIRS.
B. A. E.

also 738/1/1
751/1/1

National Archives of Australia NAA: A1838, 780/1 PART 1

COMMONWEALTH OF AUSTRALIA.

TELEGRAMS: SECRETOM, CANBERRA.

PLEASE ADDRESS REPLY TO "THE SECRETARY"

AND QUOTE M.68/19/1 JFR.BT

DEPARTMENT OF COMMERCE AND AGRICULTURE.

CANBERRA, A.C.T.

DEPARTMENT OF EXTERNAL AFFAIRS
RECEIVED 1 JUL 1948
File No. 794/1/1

30th June, 1948.

MEMORANDUM

Wheat Sample for Iraq - Your reference 794/1/1

It is noted that you have referred to the Council for Scientific and Industrial Research, an enquiry by the British Consulate at Amarah, Iraq for a small sample of Australian wheat seed which the British Consulate desires to pass on to a local farmer.

In response to your enquiry, I have to advise that this Department has no objection to the despatch of this sample of wheat. It is understood that your Department will take care of the actual forwarding of the sample.

E. McCarthy

(E. McCarthy)
Secretary

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Approach also Dept Agriculture.

Drafter.

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

TEL. 844, " LINES.
TELEGR... "CORESEARCH," CANBERRA.

COMMONWEALTH OF AUSTRALIA.

DEPARTMENT OF EXTERNAL AFFAIRS
Recd 30 JUN 1948

794/1/1

BTD/MC COUNCIL FOR SCIENTIFIC AND INDUSTRIAL RESEARCH.

In reply refer to P5/190

OFFICIAL CORRESPONDENCE SHOULD BE ADDRESSED TO "THE CHIEF OF THE DIVISION"

DIVISION OF PLANT INDUSTRY,
P.O. BOX 109, CITY,
CANBERRA, A.C.T.,

29th June, 1948

MEMORANDUM TO:

The Secretary,
Department of External Affairs,
CANBERRA, A.C.T.

H'with We are returning the copy of the letter enclosed with your memorandum of 24th June. We suggest that you should approach the Department of Commerce and Agriculture, since the seed is required for agricultural and not experimental purposes.

Send reply from C+A whether any objection or not. CE 1/7

(B.T. Dickson)
CHIEF OF THE DIVISION

ER

National Archives of Australia NAA: A1838, 780/1 PART 1

FILE COPY CEM/PH

794/1/1.

24th June, 1948.

MEMORANDUM for:-

The Secretary,
Council for Scientific and
Industrial Research,
CANBERRA. A.C.T.

Wheat Sample for Iraq.

Attached is a copy of a note from the British Consulate, Amarah, Iraq, requesting that a small sample of suitable wheat be made available to Georgis al-Yusuf, a farmer of that locality.

I would be glad of advice as to whether such a sample could be supplied. This Department would be prepared to arrange delivery of the parcel through the British authorities.

Secretary

The Secretary,
Department of Commerce & Agriculture,
CANBERRA. A.C.T.

Referred for information and advice as to whether your Department has any objection to the sending of a sample of wheat.

Secretary,
Department of External Affairs,
CANBERRA. A.C.T.
24.6.48.

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1/1

DEPARTMENT OF EXTERNAL AFFAIRS
21 JUN 1948
REGD.

THE BRITISH CONSULATE,
AMARAH,
'IRAQ
8TH JUNE, 1948

No:- 34/212

Dear Department,

A local Christian farmer, Georgis al-Yusuf who is the first in this area to adopt machinery in a large way for cultivation wishes to secure if possible a suitable wheat seed from Australia and has asked this Consulate to make enquiries in this connection.

This Consulate would be much obliged if you could please send particulars including prices and if possible a small sample of suitable wheat seed.

Yours ever,
CONSULATE,

BRITISH CONSULATE AMARAH

THE DEPARTMENT OF EXTERNAL AFFAIRS,
CANBERRA,
AUSTRALIA.

ER

CSIR
C+D minute for advice whether any objection.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

794/1/1

CABLEGRAM.

JC, PN.

M. 0560.

DECODE FROM :

Dated: 24th May 1948
1520
Rec'd: 25th May 1948

HIGH COMMISSIONER'S OFFICE,
L O N D O N.

1838.

Following for Commerce from Critchley, repeated Garside, Australian Embassy, Washington. 15.

Wheat for Palestine. Your 1752.

Palestine receivals to date ø long tons 51,055 flour 5,000 wheat making a total wheat equivalent 77,500. Further flour cargo equivalent 12,000 tons. Wheat earmarked but whole question is under consideration by Food Ministry in view of Egyptian threat to requisition supplies.

Min. & Dept. of C. & A.
B.A.E.
Treasury.

25th May 1948.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

V 794/1/1

CABLEGRAM.

TW.P.PN. O. 7104.

DECODE TO : Sent : 19th May 1940
4.10 p.m.

AUSTRALIAN GOVERNMENT COMMISSIONER,
CAIRO.

62. Commerce.

Rashid Chelton of the Comptoir Egyptienne de Commerce et de Compensation, 8 Kasr-el-nil, Cairo, has made an offer to this Department involving exchange of Egyptian cotton for Australian wheat and flour.

Your advice desired re standing and reputation of this firm and its influence in official circles. Further details will be forwarded you by air mail.

Min. &Dept of C. & A. 20th May 1940.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

794/1/1

O.5557
Dated 19th April, 1948
1545 hours.

BL:JSH

DECODE TO:

THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS,
LONDON.

98.

Your telegram 93. Australian Exports to British Colonies. As requested in paragraph 3 of your message we are quoting below some examples of Colonial import restrictions against Australian goods: -

Country.	Exporter.	Importer.	Commodity.
British West Indies	H.Jones Pty.Ltd., GPO Box 6390, Hobart.	L.J.William Marketing Co. Port of Spain, Trinidad.	Jams.
	Westminster Trading Co. 571 Little Bourke Street, Melbourne.		Dressed Leather Rabbits Fresh Fruit Enamelware.
Cyprus.	P.& S.Adler, 443-445 Kent St, Sydney.		Confectionery.
Malta.	Paragon Hosiery Mills, 642 Sydney Road, Brunswick, Victoria.	Charles Darmanin & Co., 10 St.Paule St, Valetta.	Men's plain and fancy half hose.
British East Africa.	South East Mfg.Co. Thomas Black, Prahran.		Cycle Saddles Mudguards Chainguards
	Westminster Trading Co., 571 Little Bourke Street, Melbourne.		Dressed Leather Rabbits Fresh Fruit
	Heine Bros, 261 Collins St., Melbourne.	Ross & Elliott P.O.Box 150, Nairobi.	Jams Canned Soup " Spaghetti Condensed Milk Powdered Milk
	Hudson Export Pty.Ltd. Sydney.	Pan African Agency (E.A.) Ltd., Nairobi.	Builder's Tools of Trade
Palestine.	Plaimar Ltd. 169 Havelock St. Perth.	Hackney Ltd. 103 Allenby Rd. Tel Aviv.	Vanillin.
	Michaelis Hallenstein & Co.Ltd. 441 Lonsdale St. Melbourne.	Israel Habas & Son, P.O.Box 619, Tel Aviv.	Leather.

2.....

For file M.E., NEI

also filed as 794/1/1

Copies r...

Secretary
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National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

O.5557

2. It is recognised that it may be that not all of these restrictions have been imposed as a direct result of Article 1X obligations. Some may be due to policy of conserving overseas balances. And doubtless the suspension of import licensing in Palestine will lead to new adjustment of trade with that country.

3. Examples where Article 1X considerations appear to be applicable are enamelware to East Africa and West Indies and builders' tools of trade, canned foodstuffs and milk to East Africa. Example of import restrictions excluding Australia but not United Kingdom is men's hose to Malta. The other examples given appear to involve general import restrictions to conserve sterling balances.

TREASURER & TREASURY.
C. & A.
T. & C. (Canberra).
E.A.
P.W.R.

20th April, 1948.

National Archives of Australia NAA: A1838, 780/1 PART 1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM. **SECRET.**

FF/MAL. 0.2519.
Sent 20th February, 1948.

DECY HER TO.

AUSTRALIAN EMBASSY,

WASHINGTON.

171 IMMEDIATE.

For Garside from Commerce.

Iraq desires purchase third cargo immediately. This will complete sale of our one million bushels commitment. We do not wish to delay sale and would be glad you obtain I.E.F.C. concurrence and advise urgently.

----oooo----

E.A.
Treasury.

Min and Dept. C.&.A. M68/19/1

24th February, 1948.

For file ME, WE1 25/2/48

Copies rec'd
Secretary
AS (P)
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National Archives of Australia NAA: A1838, 780/1 PART 1

794/1/1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

PM.

O.1540.

Sent: 3rd February, 1948.
11.30.

SAVINGRAM TO -

The Australian Government
Trade Commissioner,
CAIRO.

Saving 1. From Commerce.

Your 219 regarding wheat for Lebanon. At request of I.E.F.C. we have agreed supply two cargoes. Australian Wheat Board has arrangements in hand. It is most unlikely that any further quantity can be supplied.

MIN. & DEPT. OF C. & A. (re memo. M66/14/1)
TREASURER & TREASURY

3rd February, 1948.

For file Middle East N.E.I.
3/2/48

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1/1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

O. 1442

;MC

Dated 30th January, 1948

DECYPHER TO:

AUSTRALIAN EMBASSY
WASHINGTON.

97. For Garside from Commerce.

Your 24 and 105. Wheat Board arranging second cargoes for Iraq and Lebanon. Shipments will be March or April.

Minister and Dept. C. & A. (M67/4/10-
Treasures and Treasury
B.A.E.

2nd February, 1948

for file 794/1/1
3/2/48

National Archives of Australia NAA: A1838, 780/1 PART 1

794/1/1

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM. **SECRET.**

MD/FF

I.852
Dated 12th Jan. 1948
1858
Recd. 13th Jan. 1948
8.30 a.m.

DECYPHER FROM:

The Australian High Commissioner,
LONDON.

Personal for Evatt from Beasley.

Jamali, Minister for Foreign Affairs for Iraq, whom I met on Saturday sends you his best regards and asked me to say that he hoped you would help Iraq's request for 30,000 tons of Australian wheat.

Dr. Evatt

13th January 1948.

File

Copies rec
Secretary
AS (P)
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MD
A
IC
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Trade
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Min
Pers

for file
Iraq
13/1/48

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